

Landfill Gas Tax Credit Provisions in the Stabilization Act

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- **Energy Improvement and Extension Act of 2008**
 - **Stabilization Act**
 - **Signed into law on October 3, 2008**
- **Food, Conservation, and Energy Act of 2008**
 - **Farm Act**
 - **Veto override on May 22, 2008**
- **Regulatory Developments**
- **Outlook for the 111th Congress**
- **Questions and Contact Information**

- **Section 45 – Production Tax Credits**
- **Placed in service deadline extended for two years (before January 1, 2011)**
- **No investment-based limitation on credit amount**
- **Trash Combustion facilities – Definition modified**
 - **Clarifies that facilities that gasify municipal solid waste and then burn the gas to generate electricity are qualified facilities**
- **Still no clarification on anti-double dip rule**

- **Section 6426 – Excise Tax Credits for Alternative Fuels**
- **Placed in service deadline extended for three months (before January 1, 2010)**
- **Adds compressed or liquefied gas derived from biomass as an alternative fuel**
 - **Biomass as defined in section 45K(c)(3)**
 - **Includes landfill gas**

- **Grants for biorefineries that produce advanced biofuels**
- **Loan Guarantees for biorefineries that produce advanced biofuels**
- **Payments to eligible producers of advanced biofuels**

→ **Advanced Biofuels**

→ **Fuel derived from renewable biomass**

→ **Other than corn kernel starch**

→ **Includes biogas (including landfill gas and sewage treatment gas) produced through the conversion of organic matter from renewable biomass**

→ **However, renewable biomass has a very narrow definition**

→ **Certain biomass from National Forest System Land and public lands**

→ **Certain biomass on lands held in trust by the United States**

- IRS has not issued any Section 45 landfill gas PLRs
 - However, IRS did issue PLR 200837028 (June 11, 2008)
 - Ruled on various issues with respect to a power plant that produced electricity from both MSW and open-loop biomass
- We understand that there is still an informal no-rule process for LFGE projects
- Due to manpower issues, the IRS still appears to have a preference for issuance of public rather than private guidance

→ **Stimulus Package**

- **Investment of \$150 billion over 10 years for various renewable/alternative energy/fuel initiatives**
- **Green technologies training**
- **Federal RPS – 25% by 2025**
- **Extension of PTC**
 - **Obama-Biden “will also extend the Production Tax Credit, a credit used successfully by American farmers and investors to increase renewable energy production and create new local jobs.”**

- Renewable energy trade associations are also presenting ideas to deal with the current credit/tax equity market situation
 - Refundable
 - Transferable
 - Remove bad financing restrictions
 - Other proposals

→ Questions?

→ Contact Information:

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