

United States Senate

WASHINGTON, DC 20510

February 13, 2020

Commissioner Charles P. Rettig
Internal Revenue Service
1111 Constitution Ave NW
Washington, DC 20224

Dear Commissioner Rettig,


Thank you for issuing timely guidance for biodiesel, second generation biofuel, and alternative fuel producers and blenders to claim 2018 and 2019 tax credits. The timeframe and procedures you provided will allow biofuel producers to submit claims for the retroactive credits within the next few weeks. It is critical that IRS process these claims with all due speed.


U.S. biofuel producers experienced extreme hardship over the past two years due to the unprecedented length in the lapse of these credits. In 2019, 10 biodiesel producers closed or cut production due to poor market conditions, which included the lapse of the tax incentive and instability in the Renewable Fuel Standard. Many other companies took extraordinary economic measures to maintain production— including taking a loss on each gallon. With our strong support, Congress took action and renewed the tax incentive for five years in order to support this important industry and provide a positive market signal. Timely payment of claims for 2018 and 2019 is necessary for the recovery of the entire biodiesel industry, including producers, blenders, and farmers.

We commend you and your agency for quickly issuing the guidance that will aid taxpayers in submitting claims. We urge you to take all necessary actions to process the significant number of claims you will receive in the coming weeks in an expeditious and efficient manner.

Thank you for your consideration.

Sincerely,


Joni K. Ernst
United States Senator


Charles E. Grassley
United States Senator