HOUSE BILL NO. HB0259

Ethanol producer tax credit.

Sponsored by: Representative(s) Zwonitzer, Dv., Madden and Roscoe

A BILL

for

AN ACT relating to taxation and revenue; limiting the ethanol tax credit as specified; and providing for an effective date.

Be It Enacted by the Legislature of the State of Wyoming:

Section 1. W.S. 39-17-109(d)(iv)(C) and (E) is amended to read:

39-17-109. Taxpayer remedies.

(d) Credits. The following shall apply:

(iv) Any person who has a tax liability in Wyoming for the sale of ethanol based motor fuel or gasoline sold for the purpose of blending into an ethanol based motor fuel may redeem a valid credit with the department to satisfy in part any tax liability imposed under W.S. 39-17-104(a)(i) and (ii). To qualify to redeem tax credits under this subsection, an ethanol producer shall purchase at least twenty-five percent (25%) of Wyoming origin products used in the distillation process, excluding water, during the calendar year in which the tax credits were earned. Each ethanol producer shall verify the origin of the products. In the event of natural damage to a significant portion of available Wyoming products as determined by the Wyoming department of agriculture, the twenty-five percent (25%) purchase requirement of this paragraph shall not apply. In no circumstances may the amount of tax credits redeemed by any person under this section exceed the existing tax liability of the person under W.S. 39-17-104(a)(i) and (ii). The department shall promulgate rules to implement this section. Tax credits under this subsection shall also be subject to the following:

(C) An ethanol producer constructing a new ethanol plant after July 1, 2003 and prior to July 1, 2011, may receive tax credits authorized under this subsection for a period not to exceed fifteen (15) years after the date the construction of the new plant is complete;

(E) Any ethanol producer qualifying for the tax credit under this subsection before July 1, 2009, which expands its production after July 1, 2003 <u>and prior to July 1, 2011</u>, by at least twenty-five percent (25%), shall receive tax credits under this subsection for a period not to exceed fifteen (15) years following the date the expanded production became operational. The maximum tax credit specified in subparagraph (B) of this paragraph for a producer qualifying under this subparagraph shall be increased to the amount available to the producer under subparagraph (B) of this paragraph plus the additional amount authorized under this subparagraph. The additional maximum amount authorized shall be computed by multiplying the percentage increase in expanded production by the maximum tax credit which the producer is eligible to receive under subparagraph (B) of this paragraph. For any ethanol producer meeting the requirements of this subparagraph, each expansion of production after July 1, 2003, of at least twenty-five percent (25%) of the most recent prior production shall qualify for the additional time and additional maximum credit authorized in this subparagraph.

Section 2. This act is effective immediately upon completion of all acts necessary for a bill to become law as provided by Article 4, Section 8 of the Wyoming Constitution.

(END)