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GrowthEnergy.org

November 19, 2009

The Honorable Charles Rangel, Chairman
U.S. House of Representatives
Ways and Means Committee
1102 Longworth House Office Building
Washington, DC 20515

The Honorable Dave Camp, Ranking Member
U.S. House of Representatives
Ways and Means Committee
1139E Longworth House Office Building
Washington, DC 20515

Dear Chairman Rangel and Ranking Member Camp:

As your committee begins crafting a 2009 tax extenders package, I urge you to include a technical correction to the Alternative Fuel Vehicle Refueling Property Credit, to ensure the credit can be fully utilized for a blender pumping system as originally intended.

Under current law, the tax credit allows a vendor to recapture up to \$50,000 or 50 percent of the total cost of installing an alternative fuel dispensing system. However, the Internal Revenue Service (IRS) has made an interpretation that only allows the credit to be taken on the incremental cost of the alternative fuel portion of a new pump. The technical correction requested by Growth Energy would allow the vendor to utilize the credit based upon the entire cost of the new alternative fuel dispensing system.

This technical clarification is critical, as a blender pump requires the entire hydraulic tree of the dispensing system be integrated. In order to advance the establishment of alternative fuel infrastructure from a blender pumping systems utilized by the majority of the nation's retailers, the entire dispenser must be eligible to receive the credit. Reps. Herseth Sandlin and Shimkus introduced the E85 and Biodiesel Access Act (HR. 1757) earlier this year to correct the IRS' interpretation. Enclosed is suggested language for the correction, we are willing to work with you and your staff to achieve the necessary fix for the IRS misinterpretation.

Solutions to the challenges facing our nation and economy today can be found with America's farmers and ethanol producers. Increasing American motorist's access to ethanol, which is the only practical alternative to foreign oil available today, will help create domestic jobs in communities across the country, strengthen our national and economic security by reducing our dependence on foreign oil and improve the environment.

Thank you for consideration of this request. If you need additional information regarding this request, please contact me at 202.545.4000.

Sincerely,

Tom Buis, CEO
Growth Energy

Enclosure