

## Biofuel Production Jobs Tax Credit

Companies that invest in the development of a biofuel production facility may be eligible for a tax credit of 3% of the previous year's annual employee wages. Companies may claim this credit against the utility gross receipts and utility service use taxes for up to 10 years; the credit may be refundable during the incentive period or claimed as a credit against utility taxes paid with a carryforward for earned but unused amounts. Companies may also be eligible for a tax credit of 1.5% of qualified capital investment annually for up to 10 years. Companies may claim this credit against the income tax, estimated income taxes, financial institution excise tax, or the insurance premium tax; the credit may be claimed as a credit against taxes paid with a carryforward for earned but unused amounts.

For the purposes of the credit, biofuel is defined as a motor vehicle fuel that is produced from grain, starch, oilseeds, vegetable, algae, animal materials, or other biomass. To be eligible for the tax credits, companies must execute a project agreement with the Governor.

(Reference [Code of Alabama \(http://alisondb.legislature.state.al.us/acas/ACASLogin.asp\)](http://alisondb.legislature.state.al.us/acas/ACASLogin.asp) 2-2-90 and 40-18-370 through 40-18-383)

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☐ Yes ☐ No

SUBMIT

The AFDC is a resource of the U.S. Department of Energy's Clean Cities (<https://cleancities.energy.gov/>) program.

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