

HB 83 -- Tax Credit for Processed Biomass Engineered Fiber Fuel

Sponsor: Berry

Beginning January 1, 2014, this bill authorizes an income tax credit for any taxpayer who uses "processed biomass engineered fiber fuel" which is defined as any fuel derived from substances produced in this state that were changed from their original form and combined in a manufacturing process in this state of three or more biomass inputs, resulting in a fuel product with a heat value of at least 7,500 British Thermal Units (BTUs) per pound. The credit will be 30% of the purchased price of the fuel for the first year in which the fuel was purchased and used; 25% for the second year; 20% for the third year; 15% for the fourth year; 10% for the fifth year; and 5% for the sixth year. No tax credit will be issued after the sixth year in which the fuel was purchased and used. The amount of the credit cannot exceed the amount of the taxpayer's state tax liability for the tax year for which the credit is claimed, is not refundable, and cannot be transferred but can be carried forward for four years.

The provisions of the bill will expire December 31 six years after the effective date.