

Reps. Spade, Ball, Brown, Condino, Constan, Dean, Gonzales, Hammon, Hansen, Lahti, LeBlanc, Lemmons, Nitz, Polidori, Sheltroun, Simpson, Stahl and Vagnozzi offered the following resolution:

House Resolution No. 392.

A resolution to memorialize the United States Congress to enact legislation to amend the Internal Revenue Code of 1986 (relating to alcohol used as a fuel) by adding the "Ethanol in TEOS Production Credit."

Whereas, Section 40 of the Internal Revenue Code provides excise tax credits for the use of ethanol. Unfortunately, as it is currently written, Section 40 only provides excise tax credits for fuel ethanol. Companies that use ethanol as a raw material for commercial products are unable to qualify for the Section 40 tax credit; and

Whereas, Ethanol is an important raw material for various commercial products. Silbond Corporation in south-central Michigan, for example, uses ethanol to produce an important commercial product called tetra ethyl ortho silicate (TEOS). TEOS is used in U.S. Department of Defense applications, including the production of jet engines, integrated circuitry, and flat panel displays. Silbond is the only North American producer of TEOS; and

Whereas, Silbond and companies like it depend on the availability of ethanol at a reasonable price. United States commercial ethanol prices are rising because of an increased demand for fuel ethanol brought about in part through excise tax credits and other favorable government incentives. Rising commercial ethanol prices are hurting the bottom line of companies like Silbond that depend on commercial ethanol but are unable to qualify for the excise tax credits that are limited to fuel ethanol. The ability of these businesses to compete in the global marketplace depends on the availability of commercial ethanol at a reasonable price; and

Whereas, Michigan's manufacturing economy is important to the region and the country. Silbond employs 63 people in the state of Michigan and is the largest corporate tax payer in Fairfield Township in Michigan's Lenawee County. Helping Michigan to keep jobs in the state and to compete in the global marketplace is good for the Midwest region and the entire country; and

Whereas, The American Commercial Ethanol Fairness Act would expand Section 40 of the Internal Revenue Code to include commercial ethanol used in the production of TEOS. By allowing tax credits for the commercial use of ethanol, lawmakers can level the playing field and end the tax discrimination against commercial ethanol. This will enable more of our key businesses to retain jobs and compete in the global marketplace; now, therefore, be it

Resolved, By the House of Representatives, That we memorialize the United States Congress to enact the American Commercial Ethanol Fairness Act to provide a tax credit for commercial ethanol; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.