

3.2.4.2. Eligibility

- (72) This scheme provides for USD 1,01 per gallon non-refundable general business income tax credit to second generation biofuel used as fuel or sold for use as fuel. Producers are eligible, including producers of biofuel derived from any lignocellulosic or hemicellulosic matter that is available on a renewable or recurring basis, as well as algae-based fuels.

3.2.4.3. Practical implementation

- (73) The US authorities did not submit detailed figures about the benefits provided during the RIP. They claimed that they will only know the benefits for 2013 by October 2015 and for 2014 by 2016. However, it seems that the scheme has not provided benefits to producers of diesel qualifying as second generation fuel. This is due to the fact that so far such diesel does not seem to be produced on a commercial basis and the quantities produced and sold on the market are rather marginal.

3.2.4.4. Conclusion

- (74) In view of the above, the Commission does not consider that this scheme provided benefits to biodiesel producers during the RIP and did not analyse its impact on possible continuation and/or recurrence of subsidisation.

3.3. Subsidisation of imports during the RIP — State Schemes

3.3.1. *Florida Biofuels Investment Tax Credit*

3.3.1.1. Legal basis

- (75) The legal basis of this scheme operated by the Florida Department of Agriculture and Consumer Services is Section 220.192 of the Florida Statutes.

3.3.1.2. Eligibility

- (76) The Renewable Energy Technologies Investment Tax Credit programme provides an annual corporate tax credit to all eligible entities for all capital costs, operation and maintenance costs, and research and development costs incurred between 1 July 2012, and 30 June 2016, in connection with an investment in the production, storage, and distribution of biodiesel, ethanol, and other renewable fuel in the state of Florida.

3.3.1.3. Practical implementation

- (77) Applications for the tax credit must be received by the department on or before 1st November of each year and are reviewed on a first-come, first-served basis. Applications must include supporting documentation for all eligible costs. Applicants must also submit a summary describing how the materials are being used in connection with an investment in the production, storage, and distribution of biodiesel (B10-B100), ethanol (E10-E100) or other renewable fuels in Florida. In addition, applicants must submit with the completed application a description of the project's economic impact in Florida.
- (78) The scheme offers an annual corporate tax credit equal to 75 % (up to USD 1 million per taxpayer and USD 10 million total per state fiscal year) of all capital costs, operation and maintenance costs, and R & D costs in connection with an investment in the production, storage and distribution of, among others, biodiesel and other renewable fuel in the state. The credit is up to USD 1 million per taxpayer and the unused amount may be carried forward and used in tax years from 1 January 2013 until 31 December 2018, after which the credit carryover expires and may not be used.

3.3.1.4. Conclusion

- (79) The Commission considers that this scheme is a subsidy in the sense of Article 3(1)(a)(ii) of the basic Regulation as the scheme provides a financial contribution by the State of Florida in the form of revenue foregone which is otherwise due. The incentive confers a benefit on the companies receiving them.
- (80) The scheme is limited to companies that produce biodiesel and other types of fuel is therefore considered to be specific under Article 4(2)(a) of the basic Regulation and therefore countervailable.

3.3.2. Iowa Biodiesel Producer Tax Refund

3.3.2.1. Legal basis

- (81) The legal basis of this scheme operated by Iowa Department of Revenue is Section 423.4(9) of the Iowa Code.

3.3.2.2. Eligibility

- (82) The producer must be a manufacturer of biodiesel, registered by the United States Environmental Protection Agency, pursuant to 40 C.F.R. §79.4. The biodiesel must be for use in biodiesel blended fuel in accordance with Iowa Code section 214A.2. The biodiesel must be produced in Iowa.

3.3.2.3. Practical implementation

- (83) Eligible biodiesel producers need to introduce a refund claim providing data on the number of biodiesel gallons produced during the quarter. The Department of Revenue reviews the refund claim and, if approved, issues a refund check to each biodiesel producer.
- (84) The refund claims are filed in April, July, October and January of each year, and the refund checks are issued in May, August, November and February of each year.
- (85) The programme provides a refund of USD 0,03 per gallon of biodiesel produced in Iowa (USD 0,03 for 2012, USD 0,025 for 2013 and USD 0,02 for 2014-2017). The refund is limited to the first 25 million gallons produced at each facility.

3.3.2.4. Conclusion

- (86) The Commission considers that this scheme is a subsidy in the sense of Article 3(1)(a)(ii) of the basic Regulation as the scheme provides a financial contribution by the State of Iowa in the form of revenue foregone which is otherwise due. The incentive confers a benefit on the companies receiving them.
- (87) The scheme is limited to companies that produce biodiesel and other types of fuel is therefore considered to be specific under Article 4(2)(a) of the basic Regulation and therefore countervailable.

3.3.3. Kansas Qualified Biodiesel Fuel Producer Incentive

3.3.3.1. Legal basis

- (88) The legal basis of this scheme operated by the Kansas Department of Revenue is Kansas Statutes Annotated (K.S.A.) 79-34,155 through K.S.A. 79-34,159 and Kansas Administrative Regulations (K.A.R.) 92-27-1 through K.A.R. 92-27-5. The scheme will expire on 1 July 2016.