

An Amendment

To exempt animal fats from national renewable energy tax credit and standards programs to ensure that commercial users of these valuable products for purposes other than production of fuel have free-market access to them.

VIZ., at the end of the bill insert the following new section:

**"SEC. ____ . EXEMPTION OF ANIMAL FATS FROM NATIONAL RENEWABLE
ENERGY TAX CREDIT AND STANDARDS PROGRAMS.**

"(a) TAX CREDITS FOR BIODIESEL AND RENEWABLE DIESEL USED AS FUEL.—Subsection (d) of section 40A of the Internal Revenue Code of 1986 (26 U.S.C. 40A) is amended by—

"(1) in paragraph (1), adding before the period at the end the following: 'nor biodiesel derived solely or partially from animal fats'; and

"(2) in paragraph (2), striking ', and from animal fats'.

"(b) VOLUMETRIC EXCISE TAX CREDIT FOR ALTERNATIVE FUELS.—Subsection (d)(2)(G) of section 6426 of the Internal Revenue Code of 1986 (26 U.S.C. 6424) is amended by inserting before the period at the end the following: ' except for liquid fuel derived from animal fat'.

"(c) RENEWABLE FUEL STANDARDS.—Subsection (o)(1)(I)(iii) of section 211 of the Clean Air Act (42 U.S.C. 7545) is amended by inserting 'otherwise non-merchantable' before 'animal byproducts'."