



Alternative Fuels & Chemicals Coalition

*Advocating for Public Policies to Promote the Development & Production of
Alternative Fuels, Renewable Chemicals, Biobased Products, and Sustainable
Aviation Fuels*

For Immediate Release

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The Renewable Chemicals Act of 2020

On December 4, 2020, Rep. Pascrell (D-NJ), and Rep. Fitzpatrick (R-PA), introduced the bipartisan bill, [The Renewable Chemicals Act of 2020](#), H.R.8879. The bipartisan legislation will provide tax credits for either the production of renewable chemicals (includes bioplastics) or investment tax credits in production facilities that produce renewable chemicals (includes bioplastics). The [press release](#) from Rep. Pascrell states the “bill will accelerate commercialization of the renewable chemicals and biobased products and help build a resilient biobased economy. Applicants for the tax credit will be evaluated on job creation, innovation, environmental benefits, commercial viability, and contribution to U.S. energy independence.”

The bill would establish a production tax credit for renewable chemicals equal to 15 percent of the sales price of each pound of renewable chemical produced by the taxpayer or for the taxpayer by a contract manufacturer and sold for fair market value. Eligible renewable chemicals must be produced in the U.S. using renewable biomass and have at least 95 percent biobased content. Chemicals sold or used for the production of food, feed, fuel or pharmaceuticals would not be eligible.

The legislation would also establish an investment credit for renewable chemical production facilities equal to 30 percent of the basis of any eligible property that is part of a renewable chemical production facility placed in service by the taxpayer during a particular taxable year. Eligible facilities include those that are originally placed into service following the enactment of the bill.

Representative Pascrell said, “It is imperative that America leads the world in combatting climate change and reducing dependence on fossil fuels. Our bipartisan legislation today will help boost our production of renewable chemicals and clean energy and decrease our dependence on the fossil fuel industry. Importantly, our bill emphasizes the need for job creation in these growing industries to ensure that American workers have the opportunities they deserve. Our children and our grandchildren deserve to inherit a world clean of fossil fuels and dirty energy sources. We have the means to make that goal a reality and it starts with this bill.”

“Legislative action taken, or not taken, by this Congress on this issue of climate change will be felt for generations,” **Fitzpatrick said**. “We need to continue to work towards building an economy that is supported by renewable energy, and tax credits to boost innovation and job creation in the production of renewable chemicals and biobased products is a crucial piece to our future economic success.”

“We would like to thank Congressman Pascrell’s continued leadership and vision on revitalizing domestic biobased manufacturing for renewable chemicals which will build a resilient biobased economy as reflected in his sponsorship of the Renewable Chemicals Act of 2020,” **said Hugh Welsh, president of DSM North America, headquartered in**

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Parsippany, New Jersey. "This legislation is climate smart, will support employment, grow the economy, and at the same time will encourage global companies like DSM to make additional investments in New Jersey and the entire United States."

"Special thanks to Rep. Bill Pascrell and Rep. Brian Fitzpatrick for introducing the bipartisan Renewable Chemicals Act of 2020," **said Rina Singh, executive vice president of Alternative Fuels & Chemicals Coalition.** "The legislation, if enacted, would create production tax credit based on 15 percent of the sales price of each pound of renewable chemical produced or 30% investment tax credit for renewable chemical production facilities. This bill encourages innovation, job creation, environmental benefits, and a resilient biobased economy for U.S."

"The Renewable Chemicals Act of 2020 is an essential tool for fighting climate change and building a more sustainable economy," **said Mike Belliveau, Executive Director of Defend Our Health.** "By creative incentives for production of renewable ingredients of everyday products, this bill will help jump-start the replacement of fossil carbon with renewable carbon gathered from forest, farm and sea. The legislation charts a path from plants to products that will help create good jobs, revitalize our rural economy and improve environmental protection."

"To truly build a 21st century bioeconomy that works to reduce greenhouse gas emissions and limit waste, investments in the development of renewable chemicals will be critical," **said Stephanie Batchelor, vice president of BIO's Industrial and Environmental Section.** "BIO and its members thank Representatives Pascrell and Fitzpatrick for supporting the sector as it provides solutions to build greener supply chains through this much-needed tax credit. Renewable chemical breakthroughs—such as the development of bioplastics—will not only help protect the planet but will also revitalize domestic manufacturing, creating new jobs and opportunities for economic growth."

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