

**House passes tax bill with ethanol, renewable energy credits after procedural objections (12/17/2010)****Katherine Ling, E&E reporter**

The House passed a controversial \$858 billion tax package late last night after Democrats scrambled to enable its members to voice their objections to the bill but still allow the measure to be sent to President Obama's desk.

The 277-148 vote just before midnight ended the daylong dance, with 112 Democrats voting against the bill.

House Democrats conceded early on that the bill would likely pass without change, given four-fifths of the Senate supported passage a few days earlier, added pressure from the White House and concern about taxes rising for the middle class come next year. If House Democrats changed the bill it would have been sent back to the Senate where Republicans promised to reject it, likely resulting in an increase in income taxes for all Americans next year ([E&ENews PM](#), Dec. 15).

The tax bill includes a one-year extension of a renewable energy grant program and tax credits for ethanol, alternative vehicle fuels and energy efficiency -- all of which are minor provisions in a White House-GOP tax deal that extends income tax cuts for all income levels and extends unemployment insurance for 13 months. The deal also includes a generous version of the estate tax that many Democrats did not support.

To register complaints about the package, House leadership allowed an amendment from Rep. Earl Pomeroy (D-N.D.), which would have set the estate tax rate at 45 percent for inheritances of more than \$3.5 million. The amendment failed 194-233.

Many lawmakers, including Reps. Earl Blumenauer (D-Ore.), Peter Welch (D-Vt.) and Jay Inslee (D-Wash.) had hoped to offer more amendments, including one that would have provided \$1 billion to the clean energy manufacturing tax credit 48C program paid for by lowering the ethanol tax credit from 45 cents per gallon to 36 cents per gallon, and would have ended a "coal to liquid" fuel tax incentive. But that amendment was not accepted.

The bill will now go to Obama, who has said he will sign it as soon as possible.