Washington Debates Ethanol Tax Credits

WASHINGTON (AP) - With lawmakers desperately working to shave federal budget deficits, the Senate is debating a measure to eliminate ethanol tax credits that pay the oil industry \$5 billion a year. The biggest defenders of the subsidies, however, include farm belt conservatives leading the charge for less government. Sen. Tom Coburn, a Republican from Oklahoma, is forcing a vote Tuesday on a measure that would repeal the tax credits. Coburn says they are wasteful subsidies for an industry that no longer needs them.

Ethanol supporters say that with gasoline prices hovering near \$4 a gallon, it is no time to repeal tax credits that encourage alternative fuels. They argue that ethanol is the only viable alternative to imported oil.

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