

Wyden Amendment

Section-by-Section Summary

Secs. 4001-4002. Expand tax credit for electric vehicles and fuel cell vehicles.

Right now, taxpayers can claim a tax credit of up to \$7,500 for the purchase of a new electric vehicle, but the full credit is only allowed for the first 200,000 vehicles sold by a manufacturer. Taxpayers can also claim a credit worth at least \$4,000 for purchasing fuel cell vehicles before December 31, 2020. This provision, following the Drive America Forward Act (S. 1094), would increase the number of eligible vehicles per manufacturer to the first 600,000 sold, while reducing the maximum credit value for vehicles beyond the first 200,000 to \$7,000. The provision also extends the credit for fuel cell vehicles through December 31, 2024.

Sec. 4003. Tax credit for offshore wind facilities.

Wind facilities qualify for a production tax credit (PTC) of up to 2.4 cents per kilowatt hour produced, or, alternatively, taxpayers can elect to claim an ITC of up to 30 percent in lieu of the PTC. The credit (PTC or ITC) is reduced for facilities that commenced construction after December 31, 2016. This provision, following the Incentivizing Offshore Wind Power Act (S. 1988), would create a separate credit for offshore wind facilities, allowing taxpayers to claim the full value ITC for offshore wind facilities which commence construction before January 1, 2025.

Secs. 4004-4005. Tax credits for energy storage property.

Under current law, taxpayers can claim an investment tax credit (ITC) worth up to 30 percent for certain clean energy property (e.g., solar energy property). However, energy storage property only qualifies for the ITC if it is paired with solar energy property. Similarly, taxpayers can claim a credit worth up to 30 percent for installing certain energy property in their homes, this does include standalone energy storage property. This provision, following the Energy Storage Investment Tax Incentive and Deployment Act (S. 1142), would expand the ITC and residential energy credit to allow standalone energy storage property to qualify.

Sec. 4006. Tax credit for energy efficient biomass thermal property.

Taxpayers can currently claim tax credits of up to 30 percent of the costs for certain energy efficient property they purchase and install in their homes. This provision, following elements of the Biomass Thermal Utilization Act (S. 628), would expand the residential energy credit to provide tax credits worth up to 30 percent for efficient biomass thermal property (e.g., boilers, furnaces).

Sec. 4007. Tax credit for waste heat to power energy property.

Under the current investment tax credit, taxpayers can claim a credit of 10 percent for combined heat and power property. This provision, following the Waste Heat to Power Investment Tax Credit Act (S. 2283), would clarify that property that uses waste heat to generate electricity can also qualify for a 10 percent ITC, so long as the waste heat property begins construction before January 1, 2025.

Sec. 4009. Extension of renewable electricity production tax credit.

Right now, taxpayers can claim a production tax credit (PTC) worth up to 2.4 cents per kilowatt

hour for electricity produced from qualifying renewable resources, including wind, geothermal, hydropower, biomass, municipal solid waste, and marine and hydrokinetic energy. To qualify, facilities must begin construction before December 31, 2020. For wind facilities, the value of the PTC is reduced for facilities which began construction after December 31, 2016. The current value of the PTC for wind facilities is reduced by 40 percent. The provision would extend the PTC for three years, through December 31, 2023 retaining the 40 percent reduction for wind facilities.

Secs. 4008, 4010. Extend and modify investment tax credit for clean energy property.

The investment tax credit (ITC) allows taxpayers to claim a credit worth up to 30 percent for certain clean energy property, including solar and geothermal energy property, geothermal heat pumps, fuel cells, microturbines, small wind facilities, and combined heat and power property, so long as the taxpayer begins construction of the property before January 1, 2022. The credit values are reduced for certain property (e.g., solar, fuel cells, small wind facilities) that begins construction after December 31, 2019. This provision, following aspects of the Renewable Energy Extension Act (S. 2289), would extend the investment tax credit for three years, through December 31, 2024, while also delaying the application of reduced credits rates until January 1, 2023. The provision would also increase the credit rate for geothermal energy property, providing parity with solar energy, fuel cells, and small wind.

Sec. 4011. Permanently extend deduction for energy efficient commercial buildings.

The deduction for energy efficient commercial building improvements allows taxpayers to claim a deduction worth up to \$1.80 per square foot for investments in lighting, HVAC, or the building envelope. The deduction is available to taxpayers through December 31, 2020. This provision, following the recommendation of the Senate Finance Committee's bipartisan temporary policy task force on cost recovery, would permanently extend the deduction for energy efficient commercial buildings.

Sec. 4012. Extension and update of tax credits for energy efficient new homes.

Taxpayers can currently claim a tax credit for up to \$2,000 for the construction of new homes that are at least 30 percent more efficient than a comparable home built to the International Energy Conservation Code (IECC) as in effect January 1, 2006. This credit is available for homes built before December 31, 2020. This provision, following the New Home Energy Efficiency Act (S. 2595), would extend the credit through December 31, 2022 while increasing energy conservation by updating the credit to reflect improvements in energy efficiency and more recent IECC standards.

Sec. 4013. Extension and update of tax credits for residential energy efficiency improvements.

Right now, taxpayers can claim a credit for energy efficient improvements to their homes. Qualifying improvements include efficient windows, skylights, and doors, cooling roof improvements, insulation, air conditioners, heat pumps, boilers, furnaces, and hot water heaters that meet a variety of standards, such as Energy Star, Department of Energy, and IECC 2009 standards, among others. This provision, following the Home Energy Savings Act (S. 2588),

would extend the credit through December 31, 2024, while updating the required standards to reflect improvements in energy efficiency since the credit's original enactment.

Sec. 4014. Parity for renewable energy publicly traded partnerships.

Generally, publicly traded partnerships are treated and taxed as corporations. However, partnerships that earn income from certain qualifying sources are exempted from this requirement. Qualifying sources have historically included income from certain natural resources and minerals, including fossil fuels. This provision, following elements of the Financing Our Future Act (S. 1841), would expand this exception to provide parity for partnerships earning income from renewable energy resources.