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United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

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February 12, 2020

The Honorable Ron Wyden
Ranking Member, Committee on Finance
United States Senate
219 Dirksen Senate Office Building
Washington, DC 20510

Dear Ranking Member Wyden and fellow co-signers,

I received your February 11, 2020, letter requesting that the Committee consider energy tax proposals pending before it and appreciate how important energy policies are to members of the Committee on both sides of the aisle. Your letter, however, makes a number of assertions that are not consistent with the events of the past 13 months, as well as my long-standing support for improving energy policy.

Since I returned as Chairman of the Finance Committee last year, a top priority was the extension of the so-called extenders, which include a significant number of green-energy policies that remained expired for nearly two years. Many of those policies I successfully worked to enact when I was first Chairman of the Committee in the 2000s. That priority was frustrated by a lack of interest or enthusiasm on the part of many who have traditionally supported addressing tax incentives intended to encourage, among other things, the production and use of clean and renewable fuels, to promote electricity generation from certain clean and renewable sources, and to build more energy efficient buildings and homes.

After discussions proved there was little interest in holding a series of hearings on expiring provisions, including the substantial number of energy policies, we established bipartisan taskforces last May to increase interest and build momentum for resolving these and other expired provisions. In particular, we dedicated an entire taskforce to expired and expiring energy tax policies. While its primary focus was to examine and report on 12 specified energy policies, the taskforce also reviewed stakeholder comments and proposals related to electric vehicles (EV), offshore wind, energy storage, and technology-neutral energy incentives. A separate taskforce also evaluated the provision concerning energy-efficient commercial buildings noted in your letter.

Far from ignoring the recommendations and proposals received from the taskforces as alleged in your letter, my intent from the beginning was to hold a markup that would reflect what we learned and find long-term solutions to energy policies.

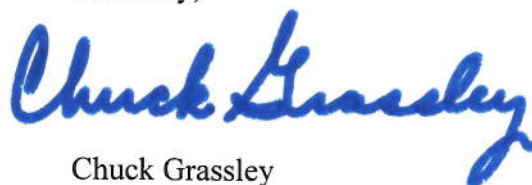
Unfortunately, that opportunity did not materialize as it became evident that a bipartisan markup would not be possible if a major expansion of the EV credit could not be assured. Repeated attempts were made to find a path forward to markup tax extenders and a handful of new associated energy provisions. Yet each time, the insistence on expanding the EV credit, primarily to the benefit of high income earners, continually derailed these efforts. All this, despite the strong opposition to such an expansion on the Committee and in the Senate, which virtually assured that such a bill, even if it could be reported by the Committee, would have no path to success.

An additional opportunity presented in the year-end tax discussions. There, too, the energy extenders as well as other bipartisan energy proposals were held hostage to the expansion of the EV credit. This time, your side's obstruction ignored the serious concerns raised by the Treasury Inspector General for Tax Administration regarding major compliance problems with the EV credit and the Internal Revenue Service's ability to prevent fraud and abuse. In the end, the retroactive extension through this year of green-energy tax policies that have long garnered broad bipartisan support was nearly derailed. Thankfully, that did not occur, and these policies at least lived to fight another day until the close of this year.

With that history in mind, it is rather miraculous we achieved what we did on energy policy last year, which ended on a bipartisan note of accomplishment. Sadly, your letter leads me to wonder whether we can build on that bipartisanship for momentum to take on more of the recommendations and proposals we heard from our taskforces.

That said, I remain open to continuing the discussions started last year and looking for ways to advance bipartisan energy policies. Moreover, I intend to continue looking for long-term solutions to existing temporary tax provisions, many of which are energy related, so they achieve their intended purposes of encouraging the development and use of new energy sources. And, I remain hopeful that the success of these efforts will not be dependent on the enactment of a single highly partisan priority.

Sincerely,



Chuck Grassley

cc:

The Honorable Charles E. Schumer

The Honorable Debbie Stabenow

The Honorable Maria Cantwell

The Honorable Robert Menendez

The Honorable Thomas R. Carper

The Honorable Benjamin L. Cardin
The Honorable Sherrod Brown
The Honorable Michael F. Bennet
The Honorable Robert P. Casey, Jr.
The Honorable Mark R. Warner
The Honorable Sheldon Whitehouse
The Honorable Margaret Wood Hassan
The Honorable Catherine Cortez Masto
The Honorable Martin Heinrich
The Honorable Brian Schatz
The Honorable Tim Kaine
The Honorable Chris Van Hollen
The Honorable Angus S. King, Jr.
The Honorable Mazie Hirono
The Honorable Richard J. Durbin
The Honorable Richard Blumenthal
The Honorable Gary C. Peters
The Honorable Cory A. Booker
The Honorable Tina Smith
The Honorable Amy Klobuchar
The Honorable Dianne Feinstein