



# Alternative & Renewable Energy Tax Newsalert

## Wind PTC, Other Renewables Extensions Included in Senate Finance Bill

August 3, 2012

On August 2nd, the Senate Finance Committee voted to approve the "Family and Business Tax Cut Certainty Act of 2012," which would extend certain expired and expiring individual and business tax provisions through 2013. A complete description of the bill is provided in a PwC [WNTS Insight](#) released last night.

The bill would extend the production tax credit ("PTC") for wind energy by one year to December 31, 2013 and also convert the 2013 deadline from a "placed in service" deadline to a "begin construction" deadline for all renewable energy facilities under the PTC. These include not only wind facilities but also biomass, geothermal, municipal solid waste, landfill gas, marine and kinetic energy, and certain hydropower facilities.

The bill also would continue taxpayers' ability to elect a 30% investment tax credit ("ITC") in lieu of the PTC for facilities that meet the 2013 begin construction deadline.

The bill also would extend through December 31, 2013, several additional alternative and renewable energy provisions, including the following:

- Cellulosic biofuels producer credit
- Cellulosic biofuels bonus depreciation
- Incentives for biodiesel and renewable diesel
- Incentives for alternative fuels and alternative fuel mixtures
- Credits for alternative fuel vehicle refueling property
- Credit for certain nonbusiness energy property
- Indian country coal PTC
- Credit for construction of new energy-efficient homes

Several other current or recently expired renewables provisions, including credits for ethanol production and the Treasury section 1603 grant program, were not included in the Senate Finance Committee's markup.

The full Senate is not expected to vote on this bill until after Congress's August recess. House leadership has indicated that chamber will not consider tax extenders legislation until after the November election.



### PwC observations

While the Senate Finance Committee's action represents only the beginning stages of the "extender" process, it suggests that a compromise on extending the wind PTC and other renewable energy provisions may emerge by the end of the year.

If enacted, the bill language converting 2013 to a "begin construction" deadline would give companies significant opportunities to plan and start projects next year for completion in 2014 or later. This could spur development activity similar to that seen at the end of 2011 under the Treasury 1603 grant program.

The ability to elect into the ITC for PTC property has been an important structuring option for renewable energy projects since it was first enacted in 2009. Continuation of that election through the remaining term of PTC likely will be welcomed by the industry.

### For more information

For prior alerts on alternative and renewable energy tax issues, please see our [news archive](#).

In addition to the Alternative & Renewable Energy Tax News alert, PwC also publishes a cross-disciplinary News alert providing updates on cleantech, sustainable development, and the business impacts of US climate and energy policy. For further information and to sign up for these alerts, click [here](#).

For more information about using energy tax incentives to meet your renewable energy goals, please contact a member of PwC's Sustainable Business Solutions tax team:

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