

## **Salazar Energy Tax Accomplishments**

### **Small Wind Systems**

The bill creates new tax credits for businesses, farms, and consumers to invest in small (less than 100 kilowatt) wind energy systems. The new small wind tax credit is similar to that for solar photovoltaic systems: 30% of system cost, capped at \$4,000. Note Baucus/Grassley incorporated our ask to extend to farms, ranches and small businesses (commercial applications).

*Senator Salazar authored S. 673, The Rural Wind Energy Development Act, which was the basis for this new tax credit.*

### **Geothermal Heat Pumps**

The bill also creates new tax credits for geothermal heat pump systems. An investment tax credit of 10% for businesses and a residential consumer tax credit of 30%, capped at \$2,000 and allowed to be used to offset the alternative minimum tax (AMT) are included. Incorporates Salazar's fix/extension to commercial applications.

*Senator Salazar authored S. 2314, the Geothermal Heat Pump Development Act of 2007, which was the basis for these new tax credits.*

### **One-year Extension of the Commercial Renewable Energy Production Tax Credit**

The bill extends the placed-in-service date for the commercial-scale renewable electricity tax credit through December 31, 2009 in the case of wind and refined coal, and through December 31, 2010 in the case of other sources. The type of facilities qualifying for the PTC is expanded to include new biomass facilities and those generating electricity from marine renewables.

*Senator Salazar has promoted a long-term extension of the PTC*

### **Eight-year Extension of the Commercial Solar Energy Tax Credit**

This bill repeals the exclusion for public utility property and provides an eight year extension for the 30% investment tax credit for solar energy property and qualified fuel cell property.

*Senator Salazar has long championed the long-term extension of the wind and solar energy tax credits, and will continue to push for long-term certainty for these growing industries in the next Congress.*

## **Extension and Expansion of the Residential Solar Tax Credit**

The 30% tax credit for residential solar energy systems is extended through 2016 and the current \$2,000 cap for solar electric systems is removed. This provision will make the cost of a typical solar photovoltaic roof system more affordable for millions of Americans seeking to harness the power of the sun.

*Senator Salazar has led the charge in the Senate with Senator Maria Cantwell to remove the cap on tax credits for residential solar electric systems.*

## **Carbon Capture and Sequestration and Advanced Coal Technology**

This legislation includes \$1.5 billion worth of tax credits to advanced coal electricity projects and coal gasification projects that show the highest potential for carbon capture and sequestration technology. The Treasury will award the credits through an application process and give priority to applicants with the highest percentage of CO<sub>2</sub> sequestration. In order to be considered, applicants must show that their facility can capture at least 65% of CO<sub>2</sub> emissions from advanced coal electricity technology and at least 75% of CO<sub>2</sub> emissions from coal gasification technology. Credits can be revoked if the recipient fails to meet these levels.

*Senator Salazar has championed these policies within the Finance Committee to move clean coal technologies forward as quickly as possible.*

## **Efficiency and Conservation**

The bill provides an extension of the tax deduction for energy-efficient commercial buildings that are up to 50% efficient and the efficiency tax credit for new homes that meet a standard between 30-50% efficiency. Businesses can receive credit up to \$1.80 per commercial square foot through 2013 and homeowners can receive up to \$2,000 through 2009.

*Senator Salazar is a cosponsor of S. 822, the Energy Efficiency Incentives Act of 2007, which includes an extension of deduction for energy-efficient commercial buildings and extension and modification credit for new energy-efficient homes.*

## **Clean Renewable Energy Bonds**

The bill authorizes \$800 million in new clean renewable energy bonds for facilities generating electricity from wind, closed-loop biomass, open-loop biomass, geothermal, small irrigation, qualified hydropower, landfill gas, marine renewable and trash combustion facilities. The \$800 million is divided equally to the qualifying projects of government bodies, cooperative electric companies and public power providers.

## **Advanced Vehicles**

Consumers are eligible to receive between \$2,500 and \$7,500 in credits for lightweight plug-in electric drive vehicles, and between \$10,000 and \$15,000 in credits for plug-in electric drive vehicles over five tons. This credit can be used to offset the AMT.

*Senator Salazar cosponsored S.1617, the Fuel Reduction using Electrons to End Dependence On the Mid-East (FREEDOM) Act of 2007, which included similar tax credits.*

## **Vehicle Efficiency**

The bill provides incentives for trucks to install advanced insulation and technology to reduce idling, and by exempting these trucks from the heavy vehicle excise tax.

*Senator Salazar is a cosponsor of S.339, the Dependence Reduction through Innovation in Vehicles and Energy Act (DRIVE Act), which includes similar provisions to reduce idling in heavy-duty diesel operated vehicles by giving tax credits of up to 50% for the costs and installation of idling reduction devices.*

## **Extension of Green Bonds Program**

The bill extends the authority to issue qualified green building and sustainable design project bonds through the end of 2012 and makes necessary adjustments to the eligibility requirements.

*These changes were made at Senator Salazar's request.*