Wyden Amendment

Summary

Expand Tax Incentives for Clean Transportation.

Right now, taxpayers can receive tax credits for the purchase of a new electric vehicle or fuel cell vehicle. However, the credit for electric vehicles is limited to each automobile manufacturer’s first 200,000 vehicles, and the credit for fuel cell vehicles has expired repeatedly. The Wyden Amendment, following elements of S. 1094, the Drive America Forward Act, would expand the per-manufacturer limitation for electric vehicles to 600,000 and extend the credit for fuel cell vehicles through December 31, 2024.

Extend and Expand Incentives for Clean Electricity.

The production tax credit (PTC), investment tax credit (ITC), and residential energy credit have been two of the most powerful tools for reducing carbon emissions and increasing the use of renewable energy, like wind and solar. However, these incentives are currently scheduled to phase out, and do not include a variety of promising energy technologies, including energy storage.

The Wyden Amendment, following elements of S. 2289, the Renewable Energy Extension Act; S. 1142, the Energy Storage Investment Tax Incentive And Deployment Act; S. 2283, the Waste Heat to Power Investment Tax Credit Act; S. 1988, the Incentivizing Offshore Wind Power Act; S. 628, the BTU Act; and S. 1841, the Financing Our Energy Future Act; would continue the success of the PTC, ITC, and residential energy credit by extending these provisions for three years.

The amendment would also expand the ITC to include standalone energy storage, clarify that waste heat to power technology qualifies, recognize offshore wind as an industry distinct from onshore wind, and provide parity for geothermal energy property. The amendment would also expand the residential energy credit to include efficient biomass thermal boilers and furnaces, and provide parity under the tax rules for renewable energy publicly traded partnerships.

Extend and Update Tax Incentives for Energy Efficiency.

While the tax code provides incentives for investments in energy efficiency in homes and commercial buildings, these incentives have expired repeatedly and suffered from outdated efficiency standards. The Wyden amendment addresses these issues by incorporating a recommendation of the bipartisan Senate Finance Committee temporary policy task force on cost recovery and elements of S. 2588, the Home Energy Savings Act, and S. 2595, the New Home Energy Efficiency Act. The amendment would permanently extend the deduction for energy efficient commercial buildings. It would also extend the credit for energy efficient new homes through 2022, and extend the credit for residential energy efficient improvements through 2024, while updating qualifying standards for both.