

United States Senate

WASHINGTON, DC 20510

June 7, 2018

The Honorable David J. Kautter
Assistant Secretary for Tax Policy, U.S. Department of the Treasury
Acting Commissioner, Internal Revenue Service
1500 Pennsylvania Avenue NW
Washington, DC 20220

Dear Assistant Secretary Kautter:

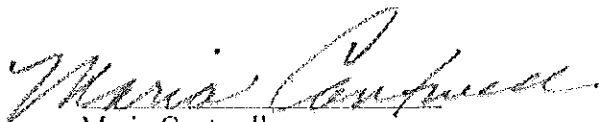
We write you today to express our concern over the delay in issuing guidance with respect to the extension and modification of the investment tax credit (ITC) for solar energy property under 26 U.S.C. §48.

The Consolidated Appropriations Act, 2016 (P.L. 114-113), which was signed into law on December 18, 2015, extended the tax credits for wind and solar energy. The bill also made changes to the qualification standard for these credits, moving from a "placed in service" to a "beginning of construction" standard, so that investors can start earning the credits when construction begins. While the IRS provided guidance on these changes with respect to the wind production tax credit back in June 2016, more than two years later the Service has yet to issue similar guidance for the solar ITC.

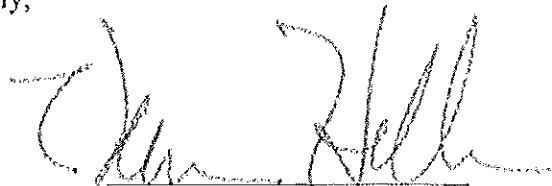
Given the importance of these rules in determining the economic viability of new projects, we are concerned that the lack of IRS guidance is unnecessarily hindering solar energy development. Companies are in the process of planning and bidding on construction projects that would begin construction in 2019. However, the lack of clear guidance regarding what constitutes "began construction" results in uncertainty and undue financial risk. The need for certainty is particularly important in the case of utility-scale projects, which, given their scale and cost, have significantly longer planning horizons.

For these reasons, we respectfully urge you to promptly issue guidance and stand ready to work with you toward that end. Thank you for your timely attention to this matter.

Sincerely,



Maria Cantwell
U.S. Senator



Dean Heller
U.S. Senator