

Energy Credits Extended for Wind and Solar Facilities

Alert

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On December 21, the House and Senate reached agreement on extension of the production tax credit (PTC) for wind energy facilities and the investment tax credit (ITC) for wind and solar energy facilities.

The PTC for wind is extended by one year and holds the credit reduction to 40% for wind facilities beginning construction after December 31, 2019 but before January 1, 2022. The wind PTC was set to expire for facilities beginning construction after December 31, 2020 before the amendment.

The ITC for wind energy facilities is also extended by a year and also holds the credit reduction to 40% for wind facilities beginning construction after December 31, 2019 but before January 1, 2022. The wind ITC was set to expire for facilities beginning construction after December 31, 2020 before the amendment.

The ITC for solar energy facilities is extended by two years and the phase-out is altered so that where construction is begun before January 1, 2023, the 26% credit is available. For projects where construction is begun after December 31, 2022 but before January 1, 2024, the 22% credit is available. For facilities where construction begins before January 1, 2024 but there is not placement in service before January 1, 2026, the 10% credit is available.

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