Coalition to Congress: End the Wind Production Tax Credit

September 24, 2013

Dear Senators and Representatives:

On behalf of the millions of members that our organizations represent, we encourage you to oppose extending the main source of federal support for wind energy, the production tax credit (PTC). The problems with bestowing government favors on wind energy are myriad—it doesn’t produce cheaper energy, it threatens electrical grid reliability, it’s inefficient, it’s unprincipled tax policy, to name a few—and it’s time to end this misguided handout.

Proposals to phase out the credit over time are a red herring. A phaseout is still an extension, and it does not address any of the problems that arise from government backing for wind energy. Besides, the PTC in its current form already has a phaseout built in: Wind farm projects may claim the tax credit for 10 years following receiving an investment letter.

In addition, we discourage you from including a PTC extension in a large tax extenders package at the end of the year. This is precisely what happened this past December; a 1-year PTC extension and expansion found its way into the Fiscal Cliff deal at the last minute. This provision expanded wind farm eligibility from those that were already in operation to those that were simply in the planning stages. If Congress is serious about comprehensive tax reform that lowers rates for everyone, then special provisions like the PTC that clutter the tax code should be first on the chopping block.

The PTC is scheduled expire on December 31, 2013. Congress should ensure that it does so as to clear the way for a simpler, less burdensome tax system across the board.

Sincerely,

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