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Congress Passes Energy Tax Credit Extenders

Insight — 12/23/2020

On December 21, 2020, Congress passed a series of energy tax credit extenders and additions as part of the omnibus spending and coronavirus relief bill. The bill has not yet been signed by President Trump.

The bill includes:

- A one-year extension of the 60% production tax credit for wind and certain other renewables so that they may begin construction before 2022;
- A two-year extension of the 26% investment tax credit for certain types of properties, including solar properties, so that they may begin construction before 2023 (with a 22% investment tax credit for solar property where construction begins in 2023);
- A two-year extension of the carbon capture and sequestration credit for facilities so that they may begin construction before 2026;
- A new investment tax credit for waste energy recovery property, effective beginning in 2021 and available for projects the construction of which begins before 2024; and
- A 30% investment tax credit for electing offshore wind facilities where construction begins before 2026.