



Renewable Energy and Energy Efficiency Tax Incentive Resources

Lynn J. Cunningham
Information Research Specialist

Beth A. Roberts
Information Research Specialist

March 23, 2009

Congressional Research Service

7-5700

www.crs.gov

R40455

Summary

The following list of authoritative resources is designed to assist in responding to a broad range of constituent questions and concerns about renewable energy and energy efficiency tax incentives. Links are provided for the following: the full text of public laws establishing and extending federal renewable energy and energy efficiency incentives; federal, state, and local incentives resources; incentive resources grouped by technology type (solar, wind, geothermal, and biomass); CRS reports on this topic; and federal grants information resources. The last section of this report includes tables displaying popular incentives, the corresponding *U.S. Code* citations, and current expiration dates of those incentives.

This list reflects information that is currently available. It will be updated regularly as other relevant material becomes available.

Contents

Full Text of Tax Incentive Legislation.....	1
Federal Incentives.....	1
State and Local Incentives.....	2
Incentives by Technology Type	3
Biomass	3
Geothermal.....	3
Solar	3
Wind.....	4
CRS Reports on Federal Incentives.....	4
Recent Legislation.....	4
General	4
Vehicles and Fuels.....	4
Wave, Tidal, In-Stream.....	5
Wind Power.....	5
Popular Incentives Tables.....	5
Grants Information	6
CRS Reports on Grants	6

Tables

Table 1. U.S. Code Citations and Expiration Dates for Popular Renewable Energy and Energy Efficiency Tax Incentives/Credits.....	5
Table 2. Alternative Motor Vehicle Credit.....	5

Contacts

Author Contact Information	6
----------------------------------	---

Full Text of Tax Incentive Legislation

Energy Policy Act of 2005 (EPACT) P.L. 109-58. The tax provisions are located in Title XIII.

Emergency Economic Stabilization Act of 2008 (EESA) P.L. 110-343. The tax provisions are located in Titles I, II, and III of Division B, the Energy Improvement and Extension Act of 2008.

American Recovery and Reinvestment Act of 2009 (ARRA) P.L. 111-5. Conference Report with full text of the act (H.R. 1, as passed, P.L. 111-5) and the Joint Explanatory Statement. The tax provisions are located in Division B, Title I.

Federal Incentives

This section lists and describes several resources that contain information about federal incentives available to support energy efficiency and renewable energy.

Tax Incentives Assistance Project (TIAP)

<http://www.energytaxincentives.org/>

This website is sponsored by a number of government agencies, nonprofit groups, and other organizations. It focuses solely on information about federal tax incentives. Information is organized into categories for consumers, businesses, and builders/manufacturers. The site includes updates about enacted federal legislation and provides links to Internal Revenue Service (IRS) tax forms.

Environmental Protection Agency (EPA) Energy Star

http://www.energystar.gov/index.cfm?c=products.pr_tax_credits

This website has a page on “Federal Tax Credits for Energy Efficiency.” The information on that page is organized into categories for consumers (home improvements, cars, solar energy, fuel cells), home builders, appliance manufacturers, and commercial buildings. The site includes a frequently asked questions (FAQ) section providing answers about energy efficiency tax credits.

Department of Energy (DOE) Financial Opportunities

<http://www1.eere.energy.gov/financing/>

This website is focused mainly on information about matching funds, grants, and financing. Information is organized into categories for consumers, business/industry/universities, inventors (small business), federal energy managers, states, and Native American tribes. The site includes a section on energy efficiency and consumer home financing.

U.S. Department of Energy Alternative Fuels and Advanced Vehicles Data Center (AFDC)

<http://www.eere.energy.gov/afdc/>

This website presents information about incentives for alternative fuels (renewable fuels and others) and vehicles. A key link provides access to “State and Federal Incentives and Laws.” Incentives covered include grants, tax credits, loans, rebates, regulatory exemptions, fuel discounts, and technical assistance. Information on state incentives is made available through a

national map and through summary tables organized by type of incentive, regulation, technology/fuel, and user. The information about state incentives is updated after each state legislature's session ends. Information about federal incentives is updated after pertinent legislation is enacted into law. Another link provides access to "Laws and Incentives Enactment History."

U.S. Department of Energy (DOE) Clean Cities Financial Opportunities

http://www1.eere.energy.gov/cleancities/financial_opps.html

This website presents information about incentives for alternative fuels and advanced technologies. A link to "Government Sources" provides information about funding opportunities through federal grant-making agencies (Grants.gov), Metropolitan Planning Organization (MPO), the Congestion Mitigation and Air Quality (CMAQ) Program, and various EPA programs. A link to "Solicitations" provides information about business funding opportunities that cover a variety of changing topics that have included plug-in hybrid vehicles, hydrogen vehicles, and transportation planning. Clean Cities Coordinators are available to help with funding applications.

Department of Housing and Urban Development (HUD) Energy Efficient Mortgages Program

<http://www.hud.gov/offices/hsg/sfh/eem/energy-r.cfm>

HUD's website provides information on Energy Efficient Mortgages. These mortgages can help homeowners finance the cost of adding energy-efficiency features to new or existing housing as part of their Federal Housing Authority-insured home purchase or refinance.

Alliance to Save Energy (ASE) Home and Vehicle Tax Credits

<http://www.ase.org/content/article/detail/2654>

ASE's website organizes information into categories on energy efficiency incentives for home improvements, hybrid vehicles, and solar energy. The site includes details on eligible equipment, credit limits, and credit expiration dates.

State and Local Incentives

This section covers websites that list and describe state and local incentives available to support energy efficiency and renewable energy.

Database of State Incentives for Renewables and Efficiency (DSIRE)

<http://www.dsireusa.org/>

DSIRE's website is sponsored by the Interstate Renewable Energy Council (IREC). IREC is a nonprofit organization focused on standards, guidelines, and other activities to support renewable energy. This site contains information about various types of energy efficiency and renewable energy financial incentives provided by state and local governments and utility companies. Summary data is accessed through a national map—and several additional special topic maps—that are linked to data on each state. Alternatively, the data can be searched by technology (solar, wind, geothermal), sector (residential, commercial/industrial, government, utility), and incentive type (tax credits, bonds, grants, loans), and eligible and implementing sectors. The site is updated weekly. Also, the homepage includes a map-link to a list of federal incentives.

U.S. Department of Energy (DOE) State Activities and Weatherization Assistance
<http://www.eere.energy.gov/weatherization/>

DOE's website on the Weatherization Assistance Program has information about how to apply for weatherization funding assistance. The site also has a "state activities" link, which provides information about state-level energy assistance programs.

Incentives by Technology Type

The following are links to resources by type of renewable energy.

Biomass

Database of State Incentives for Renewables and Energy Efficiency (DSIRE). Incentive for Biomass
<http://www.dsireusa.org/>

Energy Efficiency and Renewable Energy. Alternative Fuels and Advanced Vehicles Data Center. State and Federal Incentives and Laws
http://www.eere.energy.gov/afdc/progs/fed_summary.php/afdc/US/0

Environmental Protection Agency. Funding Database Biomass/Biogas
<http://www.epa.gov/chp/funding/bio.html>

Geothermal

Database of State Incentives for Renewables and Energy Efficiency (DSIRE). Incentives for Geothermal Heat Pumps and Geothermal Electric
<http://www.dsireusa.org/>

Geothermal Heat Consortium – GeoExchange.org. New Federal Tax Credits for Geothermal Heat Pump Systems
<http://www.geoexchange.org/component/content/article/90-new-federal-tax-credits-.html>

Solar

Alliance to Save Energy. Energy-Efficiency Home and Vehicle Tax Credits. Solar Energy and Fuel Cell
http://www.ase.org/content/article/detail/2654#fuelcells_solar

Database of State Incentives for Renewables and Energy Efficiency (DSIRE). Incentives for Solar Technology
<http://www.dsireusa.org/>

Energy Star. Federal Tax Incentives for Renewable Energy. Tax Incentives for Solar Energy Systems
http://www.energystar.gov/index.cfm?c=products.pr_tax_credits#s4

Solar Energy Industries Association. Solar Bills/Legislation
http://www.seia.org/cs/solar_bills

Solar Energy Industries Association. Frequently Asked Questions on the Solar Investment Tax Credit
http://www.seia.org/galleries/pdf/ITC_Frequently_Asked_Questions_10_9_08.pdf

Tax Incentives Assistance Project. Consumer Tax Incentives. Solar Energy Systems
<http://www.energytaxincentives.org/consumers/>

Tax Incentives Assistance Project. Businesses Tax Incentives. Solar Energy Systems
<http://www.energytaxincentives.org/business/renewables.php>

Wind

American Wind Energy Association. Legislative Affairs
<http://www.awea.org/legislative/>

Database of State Incentives for Renewables and Energy Efficiency (DSIRE). Incentives for Wind
<http://www.dsireusa.org>

CRS Reports on Federal Incentives

A number of CRS reports provide information about federal energy efficiency and/or renewable energy incentives:

Recent Legislation

CRS Report R40412, *Energy Provisions in the American Recovery and Reinvestment Act of 2009 (P.L. 111-5)*

General

CRS Report RL33831, *Energy Efficiency and Renewable Energy Legislation in the 110th Congress*

CRS Report RL33578, *Energy Tax Policy: History and Current Issues*

CRS Report RL34162, *Renewable Energy: Background and Issues for the 110th Congress*

Vehicles and Fuels

CRS Report RL32979, *Alcohol Fuels Tax Incentives*

CRS Report R40168, *Alternative Fuels and Advanced Technology Vehicles: Issues in Congress*

CRS Report R40110, *Biofuels Incentives: A Summary of Federal Programs*

CRS Report RS22558, *Tax Credits for Hybrid Vehicles*

CRS Report RS22351, *Tax Incentives for Alternative Fuel and Advanced Technology Vehicles*

Wave, Tidal, In-Stream

CRS Report RL33883, *Issues Affecting Tidal, Wave, and In-Stream Generation Projects*

Wind Power

CRS Report RL34546, *Wind Power in the United States: Technology, Economic, and Policy Issues*

Popular Incentives Tables

Table 1. U.S. Code Citations and Expiration Dates for Popular Renewable Energy and Energy Efficiency Tax Incentives/Credits

Type of Credit	U.S. Code Citation	Expiration Date
Biofuels Production Tax Credit (PTC)	26 U.S.C. § 40A	12/31/2009
Business Solar and Fuel Cell Investment Tax Credit (ITC)	26 U.S.C. § 48(a)(3)	12/31/2016
Energy Efficiency Appliance Credit	26 U.S.C. § 45M	12/31/2008-12/31/2010 ^a
Energy Efficient Commercial Buildings Deduction	26 U.S.C. § 179D	12/31/2013
Energy Efficient New Homes Tax Credit for Homebuilders	26 U.S.C. § 45L	12/31/2009
Renewable Energy Production Tax Credit (PTC)	26 U.S.C. § 45	Wind (12/31/2012) Biomass, Geothermal, Hydroelectric, and Marine and Hydrokinetic (12/31/2013)
Residential Energy Efficient Property Credit (Solar and Fuel Cell Tax Credit)	26 U.S.C. § 25D	12/31/2016

Source: U.S. Code

a. Depending on efficiency level of appliance

Table 2. Alternative Motor Vehicle Credit

Type of Credit	U.S. Code Citation	Expiration Date
Advanced Lean Burn Technology Motor Vehicle Credit	26 U.S.C. § 30B	12/31/2010
Fuel Cell Motor Vehicle Credit	26 U.S.C. § 30B	12/31/2014
New Qualified Plug-In Electric Drive Motor Vehicles	26 U.S.C. § 30B	12/31/2014
Qualified Plug-In Electric Motor Vehicle Conversion Credit	26 U.S.C. § 30B	12/31/2011

Type of Credit	U.S. Code Citation	Expiration Date
Qualified Alternative Fuel Motor Vehicle Credit	26 U.S.C. § 30B	12/31/2010
Qualified Hybrid Motor Vehicle Credit	26 U.S.C. § 30B	12/31/2009

Source: *U.S. Code*

Grants Information

Catalog of Federal Domestic Assistance (CFDA)

<http://www.cfda.gov/>

The CFDA is the primary source of federal grants program information, although actual funding depends upon annual congressional budget appropriations. The CFDA is available on the Internet. Many federal grants do not provide funding directly to individuals, but rather to states, local governments, universities, and tribal entities. Check the “applicant eligibility” section in the CFDA program description to see who may apply. Individuals may be eligible to apply for funds after they have been distributed at the state and local level, through their state energy offices or other contact listed in the CFDA program description.

Grants.gov

<http://www.grants.gov>

Federal grant funding opportunities are also posted on the website Grants.gov. Grants.gov enables grant seekers to electronically find and apply for competitive grants from all federal agencies.

CRS Reports on Grants

CRS Report RL34035, *Grants Work in a Congressional Office*

CRS Report RL32159, *How to Develop and Write a Grant Proposal*

CRS Report RL34012, *Resources for Grantseekers*

Author Contact Information

Lynn J. Cunningham
Information Research Specialist
lcunningham@crs.loc.gov, 7-8971

Beth A. Roberts
Information Research Specialist
eroberts@crs.loc.gov, 7-9090