



November 19, 2019

The Honorable Richard Neal
House Ways and Means Committee
Washington, DC 20515

The Honorable Charles Grassley
Senate Committee on Finance
Washington, DC 20510

Chairmen Neal and Grassley:

On behalf of the undersigned organizations, representing a diverse coalition of taxpayer, consumer, and free-market advocates, we write asking you to let current law stand in the case of tax incentives for electricity derived from renewable sources.

When Congress passed the “Protecting Americans from Tax Hikes (PATH) Act of 2015,” producers of renewable electricity like wind and solar power promised to abide by a phasedown of the tax credit for this type of energy.

Now that the phaseout of these tax benefits are here, the renewable industry wants to renege on the deal. Senator Catherine Cortez Masto (D-Nevada) has introduced S. 2289, the “Renewable Energy Extension Act of 2019.” A companion version (H.R. 3961) has been introduced by Congressman Mike Thompson (D-Calif.) The bill would extend the phaseout by an additional five years, at which time another extension would no doubt be sought.

There is no public policy reason to extend these tax benefits. The [United States Energy Information Administration](#) reported a year ago that 18 percent of the electricity grid in America was powered by renewable sources, including 3 percent from solar power alone. Besides

accounting for half the renewable total, wind and solar power grew by nearly a third in just one year. Clearly these industries can and should stand on their own two feet.

Cronyism tax benefits such as these are bad tax policy. A tax code should be neutral, not picking winners and losers. It should tax business profits (revenue minus cash flow expenses) once and only once, without any special treatment for politically connected narrow interests.

Congress should not change current law to extend the agreed upon, scheduled phaseout of the tax benefits enjoyed by these corporations.

Grover Norquist
Americans for Tax Reform

Pete Sepp
National Taxpayers Union

Tim Phillips
Americans for Prosperity

Jessica Anderson
Heritage Action for America

Jason Pye
Freedom Works

Ryan Ellis
Center for a Free Economy