

CLEAN ENERGY TAX POLICY UPDATE | 10.17.19



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Tax Withholding and Estimated

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OMB No. 1545-0047

2018

Attachment
Sequence No. 12

Your social security number

Capital Gains and Losses

▶ Attach to Form 1040 or Form 1040NR.
▶ Go to www.irs.gov/ScheduleD for instructions and the latest information.
▶ Use Form 8949 to list your transactions for lines 1b, 2, 3, 8b, 9, and 10.

SCHEDULE D
(Form 1040)

Department of the Treasury
Internal Revenue Service
Name(s) shown on return

Part I Short-Term Capital Gains and Losses—Generally Assets Held One Year or Less (see instructions)

See instructions for how to figure the amounts to enter on the lines below.
This form may be easier to complete if you round off cents to whole dollars.

- 1a Totals for all short-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 1b.
- 1b Totals for all transactions reported on Form(s) 8949 with Box A checked.
- 2 Totals for all transactions reported on Form(s) 8949 with Box B checked.
- 3 Totals for all transactions reported on Form(s) 8949 with Box C checked.

- 4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824.
- 5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1.
- 6 Short-term capital loss carryover. Enter the amount, if any, from line 8 of your Capital Loss Carryover worksheet in the instructions.
- 7 Net short-term capital gain or (loss). Combine lines 1a through 6 in column (h). If you have any long-term capital gain or (loss), go to Part II below. Otherwise, go to Part III on the back.

Part II Long-Term Capital Gains and Losses—Generally Assets Held More Than One Year (see instructions)

(d)
Proceeds
(sales price)

(e)
Cost
(or other basis)

(g)
Adjustments
to gain or loss from
Form(s) 8949, Part II,
line 2, column (g)

(h) Gain or (loss)
Subtract column (e)
from column (d) and
combine the result
with column (g)

CLEAN ENERGY
BUSINESS NETWORK

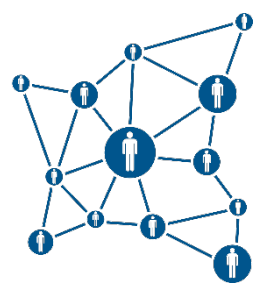
CEBN: THE SMALL BUSINESS VOICE FOR THE CLEAN ENERGY ECONOMY



Policy Support



Market & Technology
Education



Business Development
Assistance

OUR MISSION



Pat Bousliman
Subject Matter



Ben Evans
The Alliance to Save
Energy



Lynn Abramson
Clean Energy
Business Network



Energy Tax Incentives:

Politics, Policy and Prospects

Pat Bousliman, Subject Matter

SUBJECT MATTER

A Creative Advocacy Firm

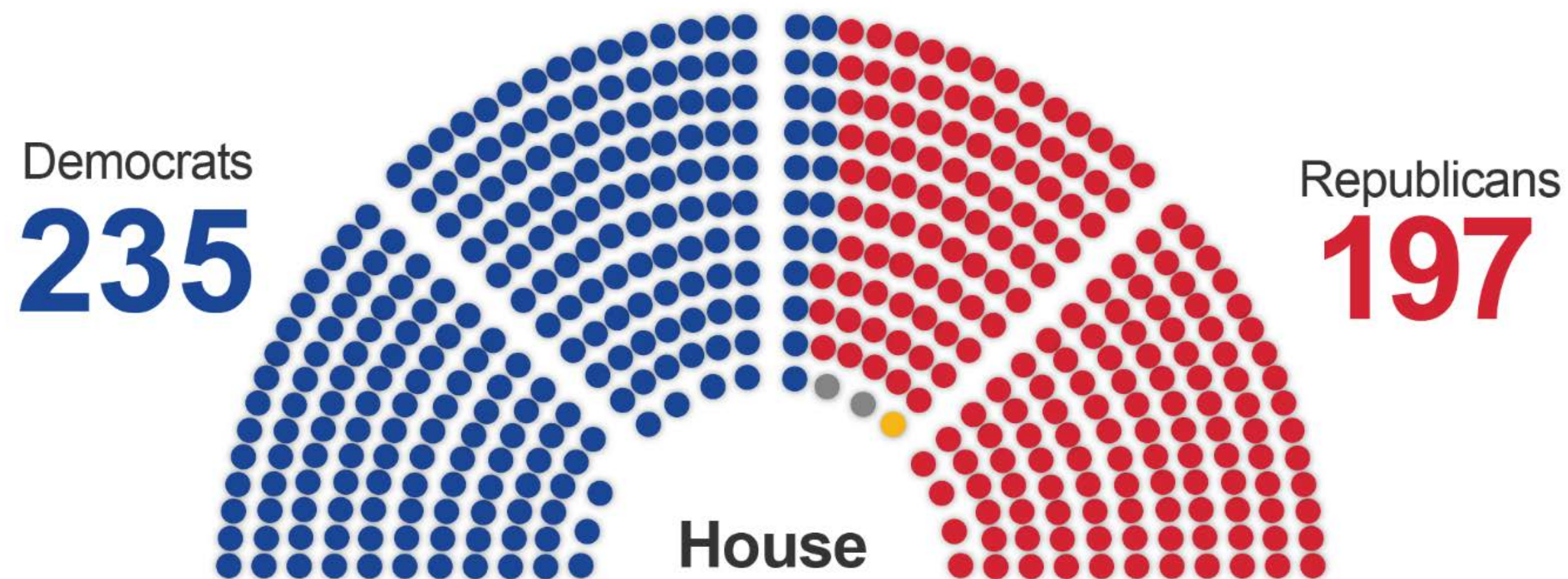
Fall Agenda

- **Trade:** USMCA could pass this fall.
- **Health care:** House working on Rx bill; unclear how Senate and Administration will respond.
- **Tax:** Extenders and potentially tax technical corrections; see below.
- **Funding the Government:** Multiple extensions possible in near term.
- **Impeachment:** Likely complete by end of 2019; may hamper ability to pass items outlined above.

Big Picture on 2020 House Races

All 435 House seats are up in 2020

- Democrats are defending their majority after a net gain of 40 seats in 2018 election
- Republicans would need to net around 18 seats to flip the chamber
- Some of the most closely watched races will be districts won by the other party's 2016 presidential candidate
- 16 House Republicans and 4 House Democrats will be retiring from public office

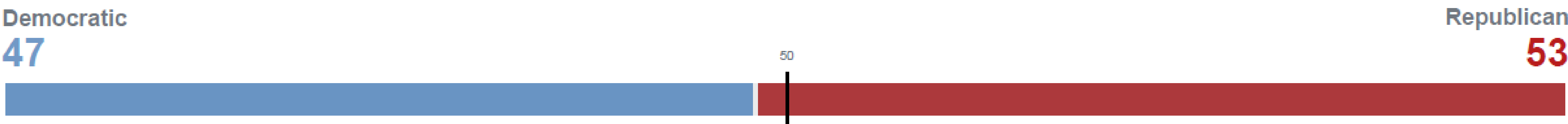


- In July 2019, Justin Amash (MI-03) resigned from the Republican Conference and became an independent.
- There are two vacancies in NY-27, due to the resignation of Chris Collins, and WI-07, due to the resignation of Sean Duffy.

Bloomberg Government

2020 Outlook: US Senate

Democrats need a net gain of 3-4 seats (depending on presidential outcome) to win control.



Races to watch:

Alabama	Arizona	Colorado	Maine	Georgia	Georgia	North Carolina
(D-Jones)	(R-McSally)	(R-Gardner)	(R-Collins)	(R-Perdue)	(R-Isakson Open)	(R-Tillis)

- In 2020, there will be 33 contested Class II seats (elected in 2014) and two special elections in Arizona and Georgia.
- 23 Republican US Senate seats are up for election (18 of them are from states Trump won).
- 12 Democratic US Senate seats are up for election.

Overview on Energy Tax

- Definitions
- State of Play
- Action Needed

Definitions:

- **Tax-Writing Committees:** Congressional committees responsible for writing tax legislation: Ways & Means Committee in the House, Finance Committee in the Senate.
- **Tax Extenders:** Tax provisions (credits, deductions, etc.) which aren't permanent law, but which are routinely extended by Congress, generally for a two-year period. **Examples:** \$1/gallon credit for biodiesel; consumer credit for plug-in vehicles.
- **“Refundables”:** Tax credits that can be claimed even if taxpayer has no tax liability. **Examples:** Earned Income Tax Credit (EITC), Child Credit. House Ways and Means passed bill in June to strengthen the EITC for workers not raising children in the home and to extend the full Child Tax Credit to low-income families.
- **Technical Corrections:** GOP wants to make technical corrections to GOP-passed Tax Cut and Jobs Act (TCJA) of 2017, aka ‘tax reform.’ They can’t make these changes without Democratic votes, as they no longer have the benefit of ‘budget reconciliation,’ which allows certain tax bills to pass without 60 votes.

Clean Energy Priorities

23 groups (Union of Concerned Scientists, LCV, AWEA, etc.) sent a letter to tax-writers this summer, urging action on a range of energy-tax items by the end of this year. Priorities included the following:

- **Storage:** H.R.2096 and S. 1142, the “*Energy Storage Tax Incentive and Deployment Act of 2019*”. This bill would provide batteries and electricity storage systems with the same 30 percent investment credit offered to solar.
- **Electric Vehicles:** H.R.2256 and S. 1094, the “*Driving America Forward Act*”. This bill, which represents industry consensus, would increase the number of electric vehicles eligible for the existing tax credit.
- **Offshore Wind:** H.R. 3473 and S. 1957: *The Offshore WIND Act*: The bill would extend the 30 percent investment tax credit for offshore wind facilities through 2025.
- **Energy Efficiency:** The groups advocate extending and modifying several tax incentives for energy efficiency, including the deduction for energy efficient commercial buildings and the incentive for homeowner efficiency improvements.
- **Other:** Other clean energy priorities include: extension of the solar investment credit (halting the phasedown set to begin in 2020); putting waste heat to power (WHP) on par with combined heat and power (CHP), per S. 2283; and the Renewable Electricity Tax Credit Equalization Act (HR 4186), which would extend tax credits for electricity produced from closed-loop biomass, open-loop biomass, geothermal, municipal solid waste, qualified hydropower facilities and marine and hydrokinetic facilities.



ENERGY EFFICIENCY TAX INCENTIVES

✓ Home Energy Savings Act (S.2588/H.R.4506)

Gives homeowners up to \$1,200 in lifetime tax credits for investing in efficiency improvements, including envelope improvements, HVAC upgrades, heat pumps, etc.

✓ New Home Energy Efficiency Act (S.2595/ H.R.4646)

Gives homebuilders a \$2,500 tax credit for building efficient new homes that reduce energy use and costs for the life of the home.

✓ Bipartisan bills with broad support

Sponsored by Sens. Maggie Hassan (D-N.H.)/Susan Collins (R-Maine) and Reps. Jimmy Gomez (D-Calif.)/ Mike Kelly (R-Pa.). Supported by a broad coalition of manufacturers, trade associations, environmental groups and other stakeholders.

✓ To sign on in support or get more information please contact Ben Evans, Alliance to Save Energy, bevans@ase.org or 202-530-2222.

State of Play

- **Senate Finance Committee:** Finance Committee Chairman Grassley and Ranking Member Wyden proposed an extenders package in February, extending all items through 2019. Sen. Grassley wants a long-term extension of biodiesel credit. Senate Dems are prepared to accept that in exchange for equivalent \$\$\$ for other green priorities.
- **House Ways & Means Committee:** Passed legislation in June 2019 to extend all items through 2020. Ways and Means also approved a bill to expand for 2019 and 2020 tax credits that benefit workers and families: the earned income tax credit and the child tax credit. House Democrats view these “refundables” (EITC and Child Credit) as a partial correction to widening economic disparity caused by the GOP 2017 tax law. Ways & Means may also pass a larger package of energy-tax incentives this fall, including an extension for the solar credit, a new storage incentive, etc. But the cost of those incentives is likely to be offset with items that are non-starters for Senate GOP.
- **Bipartisan Deal?:** House and Senate GOP want tax technical corrections. House Dems want refundables, Senate Dems want green priorities. Deal possible?

Action Needed

- Speaker Pelosi must hear from Members who care about clean energy tax priorities, particularly if those Members are deemed vulnerable (e.g., one of 44 Frontline Members).
- Ways and Means Committee and Senate Finance Committee members need to support and make the ask for these provisions.
- For those Members to demand X from Pelosi, they need to hear from you.
- Where possible, cite district-specific job numbers, and extent to which those numbers depend on extension/improvement of green tax incentives.



- **CEBN Tax Action Central**
 - Sign our group letter
 - Send a message on your priorities
 - Alliance to Save Energy [EE action alert](#)
- **CEBN Tax Priorities Survey**
 - 2 questions!
- **Individual emails, calls, possible fly-in**
 - Contact us if interested