

# Production Tax Credit for Wind Energy

## Top Reasons Conservatives Support Production Tax Credit and Wind Energy

**The Production Tax Credit (PTC)** has led to the broad development of wind energy across the country. This federal incentive has worked exactly as designed, exceeded expectations and has led to billions of dollars of investment from the private industry. Yet, the PTC has recently experienced short-term and unpredictable extensions. Congress allowed the [tax credit to expire at the end of 2013](#), creating instability in the wind industry and placing thousands of American jobs at risk. Over the years, the PTC has been upheld by broad bipartisan support; however, recent attacks on the wind industry have focused on ignoring the history of strong conservative support for the PTC.



Credit: NREL (Buffalo Mountain Wind Project, Tennessee)

### The PTC was developed by conservatives.

To support the American-made wind industry, [President George H.W. Bush signed the Production Tax Credit \(PTC\) in 1992](#). Every president since then has renewed this tax credit in order to reduce the overall tax burden on the relatively new wind industry, highlighting its wide bipartisan support.

### The PTC is conservative policy.

Tax credits have a [long history of being supported as conservative policy](#). Tax credits reduce governmental burdens on private industry, allowing private industry and the free market to work more effectively. Conservatives abhor raising taxes; but because of a dysfunctional Congress, the PTC has lapsed and thus taxes have risen on the wind industry.

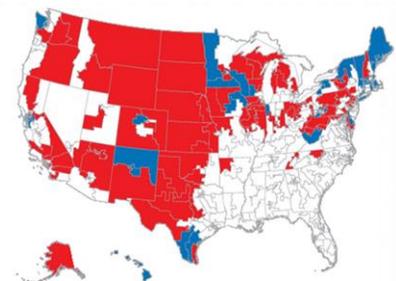
### Tax credits help the free market.

Since the PTC is only awarded to companies *that produce energy*, it is not a subsidy. [According to former Representative and presidential candidate Ron Paul \(R-TX\)](#), "As a believer in the free market, I don't look at a tax credit as a subsidy," he said about the PTC and the wind industry.

**The PTC creates domestic energy jobs.** The wind industry has invested billions of dollars and employs thousands of people across the country. Wind energy provided [80,700 full-time jobs in 2012](#). Manufacturing plays a notably large role within the wind industry with more than [550 facilities across 44 states](#). With the PTC extension, this homegrown energy will continue to grow--providing more US jobs and greater national security.

**...and the majority are in conservative districts!** The wind industry is particularly successful in conservative districts. In fact, GOP congressional districts contain [75% of wind energy capacity and currently host over 70% of wind energy manufacturing facilities](#). As a result, conservative organizations have formed, like the [Red State Renewable Alliance](#), in support of the opportunity wind energy provides for local job creation and greater economic growth.

**75%**  
OF U.S. WIND  
CAPACITY IS IN  
CONGRESSIONAL  
DISTRICTS HELD  
BY THE GOP



Credit: Red States Renewable Alliance

Contact your elected officials today and let them know that you support wind energy in the Southeast!!

For more information, contact Simon Mahan, Renewable Energy Manger,  
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[cleanenergy.org](http://cleanenergy.org)  
Southern Alliance for  
Clean Energy



### **Killing the PTC kills American jobs.**

In 2012, the uncertainty of a PTC extension resulted in layoffs across the country. Republican Governor Terry Branstad (Iowa) expressed this strong concern to the expiring PTC in 2012. “As an example, in Iowa, Siemens has already announced the layoff of 400 workers at their plant in Fort Madison, Iowa” he said. Without the PTC, there is no doubt that existing wind jobs in the United States will be negatively impacted in 2014, as well.

### **Tax incentives are not unique to the wind industry: The PTC “levels the playing field.”**

Biomass, hydroelectric, geothermal, and tidal energy are just a few of the other renewable energy systems that benefit from the Production Tax Credit. The nuclear industry gained access to a similar Production Tax Credit in the Energy Policy Act of 2005, which is continuously available to that industry until the year 2020. A study by the Environmental Law Institute in 2009 found that between 2002-2008, the federal government provided \$72 billion in subsidies to fossil fuel industries, but the renewable energy industries only received about \$12 billion. Because the PTC has recently expired, the wind industry is at a congressionally manufactured disadvantage to other energy resources that have not had to renew their subsidies.

### **Americans want wind energy!**

The wind industry has become widely popular regardless of political affiliation—two independent polls taken in 2013 by Gallup and Navigant confirm that over 70 percent of Americans support this clean, domestic source of renewable energy. In Kansas, where significant wind development has taken place, some 90% of voters believe that “Using renewable energy is the right thing to do for the future of our state and our country.”



Credit: Dennis Schroeder / NREL

**The PTC drives private investment and keeps electricity prices low.** The PTC can reduce wind farm developers’ tax levels and keep more cash in private industry, which can then be passed on as a savings to ratepayers. The wind industry works closely with private landowners, county and state regulators, and federal agencies to protect existing jobs while creating new ones. Those private investments, in the forms of wind farms and manufacturing facilities, then become sources of local, state and federal government revenue for

decades. In 2012, the wind industry put \$25 billion in private investment into our national economy.

**Top conservative leaders support a PTC extension.** Due to many of the reasons mentioned, top conservatives have voiced support for the PTC. In 2011, Republican Governor Terry Branstad (Iowa) led a bipartisan coalition to support the PTC for wind

energy. In 2012, 16 Republican House freshmen joined together to send a letter to House leadership to encourage an extension of the PTC. These leaders understand the role that the PTC plays in boosting the wind industry and recognize the economic benefits wind energy provides for their districts.

*“This sort of extraordinary investment in wind energy production emphasizes the value and success of the federal production tax credit... Wind energy comes from local farms, it’s for local customers, and most often, it adds investment to local communities. Wind energy makes sense for America.”*

**- Senator Chuck Grassley (R-Iowa)**

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