

Washington, DC - Rep. Peter Welch (D-VT) supported and the U.S. House passed legislation expanding tax incentives to foster the development of new renewable energy and energy efficiency.

The Senate is expected to take up the bill in the coming days.

The Renewable Energy and Job Creation Act, H.R. 7060, extends and expands tax incentives for renewable energy and energy efficiency, helping retain and create thousands of green jobs and foster innovation and business investment.

The incentives are paid for by closing loopholes that allow corporations and executives to avoid U.S. taxes by shipping jobs and investment overseas and curtailing unnecessary tax subsidies for big, multinational oil and gas companies.

"The way out of the energy crisis is to harness American innovation on the path to energy independence. These incentives will help create a new green economy and Vermont stands ready to lead the way," said Welch.

Welch added, "As high energy prices squeeze Vermonters, providing incentives for renewable energy and efficiency is an important step. These incentives will help foster new affordable energy sources, promote economic development and create thousands of new green collar jobs."

The legislation offers \$15 billion in renewable energy and green job creation tax incentives including:

- Eight-year extension of the investment tax credit (ITC) for solar energy.
- Multi-year extension of the production tax credit (PTC) for energy derived from biomass, geothermal, hydropower, waves and tides, landfill gas and solid waste (through September 30, 2011).
- One-year extension of the PTC for energy derived from wind.

- Incentives for carbon capture and sequestration demonstration projects.
- Incentives for the production of homegrown renewable fuels, such as biodiesel and renewable diesel, and for the installation of E-85 pumps for consumers to fill up flex-fuel vehicles.
 - Tax credits of \$3,000 or more toward the purchase of fuel-efficient, plug-in hybrid vehicles.
- Incentives for energy conservation in commercial buildings, residential structures, and energy efficient appliances.

In addition to providing these incentives for renewable energy, the bill also provides tax deductions for tuition and other education expenses, including out-of-pocket teacher expenses, and expands the refundable child tax credit to taxpayers earning as little as \$8,500 a year, down from \$12,050.

For Vermont, 9,754 teachers took the deduction for out-of-pocket classroom supplies, totaling \$2.4 million in deductions, 9,678 families took the tuition deduction for higher education costs, totaling \$26 million in deductions, and 20,916 children in low-income working families would get a benefit from the improved refundable child tax credit.