



# AMERICANS *for* TAX REFORM

July 20, 2015

Dear Senators:

On behalf of Americans for Tax Reform (ATR), and millions of taxpayers nationwide, I urge you to allow the Investment Tax Credit (ITC) for solar energy to expire.

The ITC was never intended to be permanent but has received repeated extensions over the years. Congress is under no obligation to continue to extend temporary tax policy; simply because the ITC is law in 2015 does not justify the tax credit's existence indefinitely.

ATR supports allowing the ITC to expire and also urges lawmakers to oppose the inclusion of "Commence Construction" language that some are advocating for, which is a thinly veiled attempt for a backdoor extension of the credit. Allowing the ITC to continue disadvantages energy consumers by skewing America's energy market, unfairly picking winners and losers and distorting our tax code.

Originally introduced in 2006, the 30 percent credit for commercial and residential solar was intended to facilitate a fledgling industry. Since then, the solar industry has sufficiently matured and its power generation is even mandated in a number of states.

Relying so heavily on the ITC, the solar industry has put Congress in the awkward and ill-suited position of deciding whether Americans will consume more or less solar energy. America's energy markets are enormously complex systems, which function most efficiently without government's distortive policies.

Burdened with political considerations, the federal government is ill-equipped to determine what source of energy Americans should use. With the federal ITC set to expire at the end of 2016, Congress has a great opportunity to cleanup America's tax code and begin peeling back government's distortive policies – simply by taking no action.

Sincerely,

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