

Business

Coming Tuesday

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Tax credit details twist in wind

Industry delighted with breaks, but fine points aren't entirely clear yet

By Emily Pickrell

The winds of providence blew favorably in the new year on renewable tax energy credits, as Congress included them in a package extending tax benefits that had been due to expire at the end of 2012.

For wind energy, Congress also expanded eligibility requirements to receive the tax break, saying that projects only need to be under construction by the end of 2013. This is a big change

from the prior rules, which required that a project be up and running.

"It will push the eligibility for these projects out a way — how much, no one knows," said Philip Tingle, a partner specializing in Energy Tax at McDermott, Will and Emery.

The answer is elusive, Tingle said during an online discussion the firm hosted last week, because the congressional record gives no indication of how the law defines the start of construc-

tion. He predicted that arriving at a definition will require a lot of discussion between industry and government officials.

The Internal Revenue Service is charged with developing detailed regulations from tax laws.

Rules on 2013 eligibility for the renewable energy tax credit probably will come out this

spring, said Kevin Book, an analyst with ClearView Energy Partners.

"Generally, the IRS issues almost everything you need to know by April," Book said. That will include how to claim the credit and which taxpayers are eligible.

The wind industry lobbied hard to have the eligibility for the credit changed so that it could benefit projects started by the end of 2013. Industry leaders argued it can take as long as two

years to build a wind project.

Wind producers that meet the eligibility requirements this year will be able to claim the credit on electricity generated over the first 10 years of the project's operation.

But the new law leaves many questions about how wind developers can meet the requirement.

Will it be enough to build a turbine?

Or must it be in place, or slated for a specific site, by the end of 2013 for the power it generates to receive the 2.2 cents per

Wind continues on B8

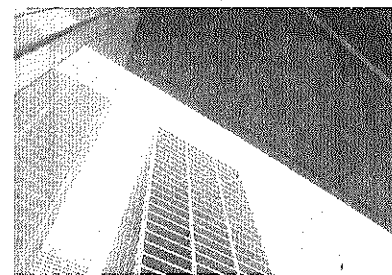
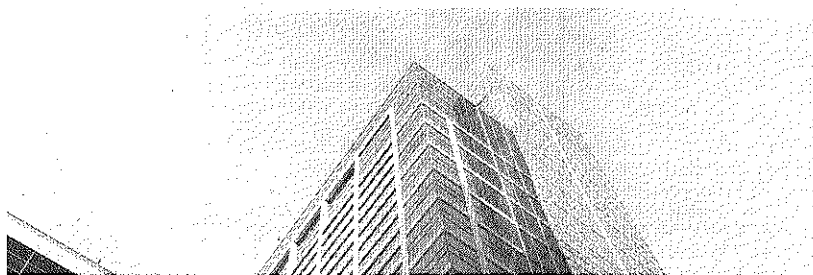
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ECONOMY

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Foreign investment

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