

Production Tax Credit Extended for Renewable Projects Beginning Construction in 2020

Article By:

Tori Roessler

On December 20, 2019, the President signed the [Taxpayer Certainty and Disaster Tax Relief Act of 2019](#) (the “Act”), which extends the current production tax credit (PTC) for wind for an additional year. The Act extends the wind PTC for facilities the construction of which begins during 2020 at a rate of 60%. Under prior law, the PTC for wind facilities phased down to 40% for facilities for which construction began in 2019 and to 0% for facilities for which construction began in 2020. Interestingly, the Bill leaves in place the phase down to 40% for facilities that began construction in 2019.

In addition, the Act retroactively extends the PTC for other [renewable energy facilities](#) including geothermal, biomass, landfill gas, and certain hydropower and marine hydrokinetic for which construction begins before January 1, 2021. Under the Bill, taxpayers alternatively may elect to claim a section 48 investment tax credit (ITC) of 18% (which is 60% of the original 30% ITC value) in lieu of the PTC. The bill does not include an extension for the solar ITC, nor does it include the proposed expansion of the ITC for energy storage technology or the extension of energy credits for offshore wind facilities.

The link to the text of H.R. 3301 may be found [here](#).

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