

green scissors

Cutting Wasteful and Environmentally Harmful Spending

4 October 2016

RE: tax extenders package

Dear Chairmen Hatch and Brady and Ranking Members Wyden and Levin:

The Green Scissors coalition writes to you with deep concerns regarding attempts to extend a suite of energy tax breaks slated to expire at the end of 2016—the latest iteration of the so-called “tax extenders.” As a coalition of free-market, taxpayer, and environmental groups dedicated to eliminating wasteful and environmentally harmful government spending, we regard many of the provisions up for renewal as the worst of both fiscal and energy policy. We are additionally concerned by Congressional attempts to extend and expand tax provisions yet to expire.

We strongly encourage you to allow the following temporary measures to expire:

- **Credit for Alternative Fuel Mixtures** (secs. 6426(d)(5), 6427(e)(6)(C), and 6426(e)(3)).
- **Alternative Fuel Vehicle Refueling Property Credit** (sec. 30C(g))
- **Indian Coal Production Credit** (sec. 45(e)(10)(A))
- **Municipal Solid Waste Production Tax Credit** (sec.45(d)(6) and sec.45(d)(7))
- **Open-loop Biomass Production Tax Credit** (sec.45(d)(3)(A))
- **Closed-loop Biomass Production Tax Credit** (sec.45(d)(2)(A))
- **Biodiesel Tax Credits** (sec. 40A, sec.6426(c)(6) and 6427(e)(6)(B))
- **Cellulosic Tax Credit** (sec. 40(b)(6)(J))
- **Special Rate for Qualified Timber Gains** (sec. 1201(b))

In addition to these expiring measures, we are concerned with the introduction of legislation that extends and expands additional non-expiring tax breaks harmful to our environment and wasteful to taxpayers.

- **The production tax credit for new nuclear facilities** should not be modified to allow long-delayed facilities to qualify if they come online after 2020 (sec.45J).
- **The per ton tax credit for carbon capture and sequestration** should not be extended and expanded for coal plants and other industrial emitters coming online after 2016 (sec.45Q).

As a coalition representing free market, taxpayer, and environmental perspectives, we remain committed to ending wasteful and environmentally harmful tax expenditures. Allowing these giveaways to expire once and for all is a practical step towards achieving that goal.

Respectfully,

The Green Scissors coalition

Friends of the Earth

Taxpayers for Common Sense

The R Street Institute