Bond Case Briefs

Municipal Finance Law Since 1971

Wind PTCs Get One-Year Extension, Other Tax Extenders Signed Into Law.

On Dec. 20, 2019, President Trump signed into law the Further Consolidated Appropriations Act of 2020, which extended or renewed certain expired or expiring tax credits and other tax incentives. Of importance in this act is a one-year extension to the production tax credit (PTC) for wind projects under Section 45 of the Internal Revenue Code.

Notably, wind projects that begin construction in 2020 are eligible for 60 percent of PTCs, whereas wind projects that began construction in 2019 are eligible only for 40 percent of PTCs. As enacted, the PTC schedule is as follows:

- Projects that began construction before the end of 2016 – 100 percent
- Projects that began construction in 2017 – 80 percent
- Projects that began construction in 2018 – 60 percent
- Projects that began construction in 2019 – 40 percent
- Projects that begin construction in 2020 – 60 percent

The IRS "begin construction" rules would still apply, including the four-year continuity safe harbor to place a project in service after construction has begun.

The act also revived PTCs for certain orphaned technologies that lost qualification at the end of 2017 if those projects had not already begun construction. The following electrical facilities once again qualify for PTCs so long as they "begin construction" before the end of 2020:

- Closed-loop biomass
- Open-loop biomass
- Geothermal energy
- Landfill gas
- Municipal solid waste
- Incremental hydropower
- Marine and hydrokinetic renewable energy

McGuireWoods LLP – Durham C. McCormick Jr., Marvin L. Rogers, Ashlin C. Aldinger, Emily J. S. Winbigler, Daniel M. Chung and James E. Gross

Copyright © 2026 Bond Case Briefs | bondcasebriefs.com