

**Summary of Select Energy Provisions
in the Senate-Passed Budget Reconciliation Bill**

Select Clean Energy Tax Provisions:

- **Sec. 25C Energy Efficiency Home Improvement Credit** - Under current law, taxpayers may claim a tax credit for household energy efficient improvements. The value of the credit is 30 percent of qualified energy efficient improvements, residential energy property or home energy audits not exceeding \$1,200 annually (\$2,000 if for heat pumps and biomass stoves). The credit expires December 31, 2032.
 - **The Senate Reconciliation bill ends this credit December 31, 2025;**
 - **Senator Shaheen offered an amendment to maintain current law, but it was not adopted 49-51.**
- **Sec. 25D Residential Clean Energy Credit** - Under current law, taxpayers may claim a credit for residential expenditures for solar electric property, solar water heating property, fuel cell property, small wind energy property, geothermal heat pump property and battery storage property placed in service by December 31, 2024. The value of the credit is 30 percent of the expenditures through December 31, 2032, 26 percent of expenditures in taxable year 2033, and 22 percent expenditures in taxable year 2034.
 - **The Senate Reconciliation bill ends this credit December 31, 2025**
 - **Senator Shaheen offered an amendment to maintain current law, but it was not adopted 49-51.**
- **Sec. 45L New Energy Efficient Home Credit** - Under current law, contractors may claim a credit for homes built that meet certain Energy Star standards. Homes that are considered Zero Energy Ready are eligible for a \$5,000 credit and homes certified at a lower energy efficient level are eligible for a credit of either \$2,500 or \$1,000. The credit expires December 31, 2032.
 - **The Senate Reconciliation bill ends this credit for homes acquired after June 30, 2026.**
 - **Senator Shaheen offered an amendment to maintain current law, but it was not adopted 49-51.**
- **Sec. 179D Energy Efficient Commercial Buildings Deduction** - Under current law, taxpayers may deduct certain energy efficient commercial building property expenditures, specifically those installed as part of interior lighting systems, HVAC and hot water systems, or the building envelope. The base deduction is calculated on a per square foot basis, with base values ranging from \$0.50 per square foot to \$1.00 per square foot depending on how much energy/power costs are certified to be reduced (with these values \$2.50 to \$5 per square foot where prevailing wage and apprenticeship requirements are met).
 - **The Senate Reconciliation bill ends this credit for property that begins construction after June 30, 2026.**
 - **Senator Shaheen offered an amendment to maintain current law, but it was not adopted 49-51.**
- **Sec. 45Y Clean Electricity Production Credit and Sec. 48 Clean Electricity Investment Credit**
- Under current law, taxpayers may claim a production tax credit (PTC) of up to 1.5 cents per kWh for 10 years for electricity produced and sold by a qualifying facility. OR a taxpayer may claim an investment tax credit (ITC) typically up to 30% for qualified investment in an electricity facility or energy storage technology. These credits are set to begin phasing out not sooner than 2032.
 - **The Senate Reconciliation bill ends these credits for projects that begin construction more than 12 months after enactment of the bill and are placed in service after December 31, 2027.**
 - **A provision adding a punitive excise tax on wind and solar was dropped from the final bill.**

- **Sec. 30D Clean Vehicle Credit and Sec. 25E Previously-owned Clean Vehicle Credit** - Under current law, taxpayers may claim a tax credit of up to \$7,500 for certain new clean vehicles placed in service in a given taxable year. Under current law, taxpayers may claim a tax credit for previously owned clean vehicles, and the credit is worth the lesser of \$4,000 or 30 percent of the sale price. These credits are subject to income limits and are set to expire December 31, 2032.
 - **The Senate Reconciliation bill ends these credits September 30, 2025.**
- **Sec. 45X Advanced Manufacturing Production Credit** - Under current law, taxpayers may claim a credit for U.S. production of various eligible components, including certain inverters, solar energy components, wind energy components and battery components that are sold to an unrelated person. Taxpayers may also claim a credit for various critical minerals produced and sold to an unrelated person. Credit amounts vary by component. To the extent a taxpayer does not have the tax liability to absorb a credit, the credits are eligible to be transferred to an unrelated taxpayer.
 - **The Senate Reconciliation bill makes several modifications to this credit, including phasing down the credit early for wind and solar energy components.**

Inflation Reduction Act Program Funding Rescissions from the Energy and Natural Resources Title:

SEC. 50402 of the reconciliation bill rescinds unobligated balances from the following sections of Public Law 117–169, the Inflation Reduction Act:

- SEC. 50142. ADVANCED TECHNOLOGY VEHICLE MANUFACTURING. (also repeals this section)
- SEC. 50123. STATE-BASED HOME ENERGY EFFICIENCY CONTRACTOR TRAINING GRANTS.
- SEC. 50141. FUNDING FOR DEPARTMENT OF ENERGY LOAN PROGRAMS OFFICE.
- SEC. 50144. ENERGY INFRASTRUCTURE REINVESTMENT FINANCING.
- SEC. 50145. TRIBAL ENERGY LOAN GUARANTEE PROGRAM.
- SEC. 50151. TRANSMISSION FACILITY FINANCING.
- 50152. GRANTS TO FACILITATE THE SITING OF INTERSTATE ELECTRICITY TRANSMISSION LINES.
- SEC. 50153. INTERREGIONAL AND OFFSHORE WIND ELECTRICITY TRANSMISSION PLANNING, MODELING, AND ANALYSIS.
- SEC. 50161. ADVANCED INDUSTRIAL FACILITIES DEPLOYMENT PROGRAM.

Rescissions from the Environment and Public Works Title:

The following sections rescind unobligated funding from Inflation Reduction Act programs:

- SEC. 60001. RESCISSION OF FUNDING FOR CLEAN HEAVY- DUTY VEHICLES.
- SEC. 60002. REPEAL OF GREENHOUSE GAS REDUCTION FUND.
- SEC. 60003. RESCISSION OF FUNDING FOR DIESEL EMISSIONS REDUCTIONS.
- SEC. 60004. RESCISSION OF FUNDING TO ADDRESS AIR POLLUTION.
- SEC. 60005. RESCISSION OF FUNDING TO ADDRESS AIR POLLUTION AT SCHOOLS.
- SEC. 60006. RESCISSION OF FUNDING FOR THE LOW EMISSIONS ELECTRICITY PROGRAM.
- SEC. 60007. RESCISSION OF FUNDING FOR SECTION 211(O) OF THE CLEAN AIR ACT.
- SEC. 60008. RESCISSION OF FUNDING FOR IMPLEMENTATION OF THE AMERICAN INNOVATION AND MANUFACTURING ACT.
- SEC. 60009. RESCISSION OF FUNDING FOR ENFORCEMENT TECHNOLOGY AND PUBLIC INFORMATION.
- SEC. 60010. RESCISSION OF FUNDING FOR GREENHOUSE GAS CORPORATE REPORTING.
- SEC. 60011. RESCISSION OF FUNDING FOR ENVIRONMENTAL PRODUCT DECLARATION ASSISTANCE.
- SEC. 60012. RESCISSION OF FUNDING FOR METHANE EMISSIONS AND WASTE REDUCTION INCENTIVE PROGRAM FOR PETROLEUM AND NATURAL GAS SYSTEMS.

- SEC. 60013. RESCISSION OF FUNDING FOR GREENHOUSE GAS AIR POLLUTION PLANS AND IMPLEMENTATION GRANTS.
- 60014. RESCISSION OF FUNDING FOR ENVIRONMENTAL PROTECTION AGENCY EFFICIENT, ACCURATE, AND TIMELY REVIEWS.
- SEC. 60015. RESCISSION OF FUNDING FOR LOW-EMBODIED CARBON LABELING FOR CONSTRUCTION MATERIALS.
- SEC. 60016. RESCISSION OF FUNDING FOR ENVIRONMENTAL AND CLIMATE JUSTICE BLOCK GRANTS.
- SEC. 60017. RESCISSION OF FUNDING FOR ESA RECOVERY PLANS.
- SEC. 60018. RESCISSION OF FUNDING FOR ENVIRONMENTAL AND CLIMATE DATA COLLECTION.
- SEC. 60019. RESCISSION OF NEIGHBORHOOD ACCESS AND EQUITY GRANT PROGRAM.
- SEC. 60020. RESCISSION OF FUNDING FOR FEDERAL BUILDING ASSISTANCE.
- SEC. 60021. RESCISSION OF FUNDING FOR LOW-CARBON MATERIALS FOR FEDERAL BUILDINGS.
- SEC. 60022. RESCISSION OF FUNDING FOR GSA EMERGING AND SUSTAINABLE TECHNOLOGIES.
- SEC. 60023. RESCISSION OF ENVIRONMENTAL REVIEW IMPLEMENTATION FUNDS.
- SEC. 60024. RESCISSION OF LOW-CARBON TRANSPORTATION MATERIALS GRANTS.