

Weekly Report: News Archive  
2016  
07/04/2016  
News

**35 TMWR 779**
**Credits**
**Solar Projects Expected to Peak in 2019: Practitioner**


By Allyson Versprille

June 29 — A peak year for construction on solar projects will be 2019, a practitioner said.

In December 2015, the Protecting American From Tax Hikes Act of 2015 (Pub. L. No. 114-113) enacted amendments to production and investment tax credits for certain renewable energy facilities. The act extended the ITC for solar facilities that begin construction before January 2022.

However, under the new legislation, investment tax credits under §48 are being phased out after 2019. For projects beginning construction in 2020, the ITC is reduced to 26%, and for projects starting in 2021 that number is further reduced to 22%.

In 2022, a permanent ITC of 10% will be established. To qualify for more than a 10% §48 investment tax credit, a project must be *placed in service* by the end of 2023, regardless of its start-of-construction date, David Burton, a partner at Mayer Brown LLP, said June 29 during a renewable energy webinar.

2019 is the last year to start construction and get the full 30% investment tax credit, he said.

“So I think in 2019 you're going to see a flurry of developers starting construction to meet these rules to qualify for the full 30% ITC because if they start construction in 2020, the ITC ramps down.”

Developers could start earlier and still get the 30% credit, but they might miss out on advantages such as improvements in technology and declining prices, he said.

To contact the reporter on this story: Allyson Versprille in Washington at [aversprille@bna.com](mailto:aversprille@bna.com)

To contact the editor responsible for this story: Cheryl Saenz at [csaenz@bna.com](mailto:csaenz@bna.com)

**BNA Snapshot**

- Investment tax credit being phased out under PATH Act, starting in 2020.

Contact us at <http://www.bna.com/contact-us/> or call 1-800-372-1033

ISSN 1947-3923

Copyright © 2016, The Bureau of National Affairs, Inc. Reproduction or redistribution, in whole or in part, and in any form, without express written permission, is prohibited except as permitted by the BNA Copyright Policy.