May 4, 2012

To: U.S. House Subcommittee on Select Revenue Measures

Re: Hearing on Certain Expiring Tax Provisions

We are writing to urge you to END the Production Tax Credit, the Investment Tax Credit, and any other federal support of industrial wind energy.

The wind energy industry has grown substantially since the production tax credit was adopted in 1992, and yet wind produces only about 2.3 percent of our electricity nationwide.

Taxpayers have subsidized wind energy for 20 years now. We have funded the industry with many tens of billions of dollars ($14 billion last year) via the production tax credit, the investment tax credit, and other tax and regulatory provisions, as well as loan guarantees and outright grants. This funding was intended to get a new technology up and running.

Wind energy is considered at this time to be a “mature technology” and if it is truly economically viable it should be able to hold its own in the marketplace without special tax treatment.

The direct cost of the subsidy to taxpayers, as reported by the congressional Joint Committee on Taxation, would be $6.8 billion from 2011 to 2015 for new projects implemented by the end of this year. This figure needlessly adds to America’s debt. And projects begun in response to an extension of the tax credit in the next year would only increase that number.

After 20 years of taxpayer support, the wind industry cannot show any meaningful benefit concerning production of “green” energy or the elimination of older “dirty” power plants. However, wind development has produced negative long-term results: rural communities left divided, landscapes degraded, bird and bat populations threatened, and already dwindling natural habitats destroyed.

The least politicized approach would be to eliminate all government subsidies and tax credits on production of all primary sources of energy. That would give all methods of energy production an even chance to compete in the market based on their true efficiency and costs.

The purpose of the tax code should be to raise revenue for the legitimate functions of the federal government. It is not appropriate to use it to tip the scales toward favored technologies.

Sincerely,

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