

**Congressman John Garamendi's Statement before the House Ways and Means Committee  
Subcommittee on Select Revenue Measures  
Member Day Hearing on Tax Extenders**

**April 26, 2012**

Chairman Tiberi, Ranking Member Neal, Members of the House Ways and Means Committee, thank you for the opportunity to speak before you regarding the priorities of Northern California. I would also like to acknowledge my good friend and neighbor, Congressman Mike Thompson. He has been a champion for the residents of Northern California and his leadership on this committee has made a positive difference in their lives.

I would like to address three policies that would create economic opportunity in my district as well as nationwide: extending the Federal Renewable Energy Production Tax Credit; extending conservation easement incentives; and extending 100 percent bonus depreciation for capital investments that are made in America.

First, I would like to speak to the importance of extending the Federal Renewable Energy Production Tax Credit (PTC). Since its adoption in 1992, this financial incentive has provided stability in the energy market. Over the past five years, the PTC has helped the wind energy sector grow at an average of 35 percent a year. Today there are 75,000 jobs supported by the wind industry across all 50 states, including manufacturing jobs at over 470 facilities. About 4,000 to 5,000 of those jobs are in my home state of California. Most recently in my district, I toured a wind farm site that said they would continue expanding only if the PTC was extended. Since this group uses turbines with over 60 percent American content, this will not only create installation jobs, but many well-paying manufacturing jobs in California. Uncertainty is hurting investment in this field, but if Congress acts and swiftly passes an extension of the PTC, it will ensure that this sector will continue to grow for years to come. Furthermore, I believe this bill could be strengthened by amending it to include a bill I introduced earlier this Congress, H.R. 487, The Manufacture Renewable Energy Systems: Make it in America Act. This bill would create American jobs by ensuring that taxpayer dollars are spent on American-made renewable energy systems. If my bill were to be adopted as an amendment, any company taking advantage of the PTC would need to buy 100 percent American content within four years after becoming law.

Second, I would like to voice my full support for the Conservation Easement Incentive Act of 2011. This bill would permanently extend deductions for landowners who dedicate their land to development protection through conservation easements. I know that Congressmen Gerlach and Thompson have worked hard to extend and expand these incentives for several years now. This has made it easier for farmers and ranchers in Northern California and throughout the country to put hundreds of thousands of acres under protection, conserving the land they depend on for their livelihoods.

Third, I would like to voice my support for 100 percent bonus depreciation for capital investment which is included in Chairman Tiberi's bill, H.R. 4196. In the previous Congress, I

introduced my own bill supporting 100 percent expensing of capital investment. While this incentive is important to increasing investment, I believe the bill can be strengthened by making the write-off apply only to the purchase of equipment with a high domestic content. This would create even more good jobs by encouraging companies to invest in American workers.

Chairman Tiberi and Ranking Member Neal, thank you again for the opportunity to present on these policies that would create economic opportunity and good jobs in Northern California as well as nationwide.

## **Information**

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