

Energy Related Tax Breaks Extended in the 2014 Tax Increase Prevention Act

In the recently enacted "Tax Increase Prevention Act of 2014," Congress has once again extended a package of expired or expiring individual, business, and energy provisions known as "extenders." The extenders are a varied assortment of more than 50 individual and business tax deductions, tax credits, and other tax-saving laws which have been on the books for years but which technically are temporary because they have a specific end date. Congress has repeatedly temporarily extended the tax breaks for short periods of time (e.g., one or two years), which is why they are referred to as "extenders." The new legislation retroactively extends the tax breaks, most of which expired at the end of 2013, through 2014, allowing businesses and individuals to claim them on their 2014 returns.

The list of extended provisions includes a host of energy-related tax breaks of importance to businesses and individuals. I'm writing to give you an overview of the key tax breaks that were extended by the new law. Please read our Complete Analysis or call our office for details of how the new changes may affect you or your business.

The energy provisions which are extended through 2014 include:

- the credit for non business energy property;
- the second generation biofuel producer credit (formerly cellulosic biofuels producer tax credit);
- the incentives for biodiesel and renewable diesel;
- the Indian country coal production tax credit;
- the renewable electricity production credit, and the election to claim the energy credit in lieu of the renewable electricity production credit;
- the credit for construction of energy efficient new homes;
- second generation biofuels bonus depreciation;
- the energy efficient commercial buildings deduction;
- the special rule for sale or disposition to implement federal energy regulatory commission (FERC) or State electric restructuring policy for qualified electric utilities;
- the incentives for alternative fuel and alternative fuel mixtures; and
- the alternative fuel vehicle refueling property credit.

