

Washington, D.C. – Today Congressman Earl Blumenauer (D-Ore) joined a majority of the House to pass the Renewable Energy and Energy Conservation Tax Act of 2008, H.R.5351. The bill contains four provisions introduced by Rep. Blumenauer: closing the Hummer tax loophole, providing an investment tax credit for small wind turbines, offering a benefit to bike commuters, and conducting a carbon audit of the U.S. Tax Code.

“There is no reason Congress should subsidize the five biggest oil companies, which reaped record profits this year, while Americans pay top dollar at the pump,” said Congressman Blumenauer. “What we need is to invest in the energy technologies of tomorrow, and this bill does just that by shifting subsidies to gas and oil companies over to renewable energy initiatives and incentives. No longer are we providing tax breaks to those who buy the least efficient vehicles, like Hummers, or subsidizing the energy technologies of yesterday. Instead we are investing in clean energy solutions that will create jobs, decrease our reliance on foreign oil, and reduce our greenhouse gas emissions.”

The Renewable Energy and Energy Conservation Tax Act makes key investments in the energy sources of the future and includes important tax credits to promote renewable energy production from wind, solar, geothermal, and other sources, many of which are set to expire at the end of the year. For example, the bill extends the wind energy production tax credit for three years.

The legislation repeals \$18 billion in unnecessary tax subsidies for big, multinational oil and gas companies. The vote comes shortly after the big five oil companies recently reported record profits for 2007, with ExxonMobil earning \$40.6 billion - the largest corporate profit in American history.

H.R. 5351 includes the following provisions introduced by Congressman Blumenauer:

Closing the Hummer Tax Loophole would fix a serious mistake in the tax code that provides an additional tax incentive for business purchases of luxury SUVs weighing over 6,000 lbs. Originally intended to help businesses buy necessary heavy-duty work vehicles, the “Hummer Tax Loophole” has for years allowed write-offs of anywhere from \$100,000 to the current figure of \$25,000 for the purchase of the largest, most gas-guzzling luxury SUVs, even as concerns over gas prices and dependence on oil have grown. The change offered in the

Ways and Means energy bill would not affect legitimate business investments in trucks or vans, such as plumber and contractor trucks, farm vehicles, construction vehicles, flatbed trucks, cement mixers, and a variety of other vehicles as designated by the IRS. The provision is based on H.R. 2715, legislation introduced by Blumenauer earlier this year.

An **Investment Tax Credit for Small Wind Turbines** offers an incentive for homeowners, farmers, and businesses to install wind turbines. This not only provides clean energy, but it generates added income. It is pro environment, pro business, and a smart way to diversify income. Specifically, the bill provides a tax credit of 30% of the cost of purchasing a small wind turbine. A single turbine can provide up to an additional \$2,000-\$4,000/year in farm income.

The **Carbon Audit of the United States Tax Code by the National Academy of Sciences** would involve a review of the tax code to identify those tax provisions and policies that have the greatest influence on the generation of carbon emissions and other greenhouse gases and to estimate the magnitude of those effects. The study would evaluate the potential for changes in the tax code to reduce carbon emissions. The study will examine areas where the connection between the tax code and carbon emissions are obvious (e.g., energy taxation) and will consider areas where the connection between the tax code and carbon emissions may be less obvious (e.g., tax policies affecting urban development, which affect climate through travel demand and land-use change).

The **Commuter Benefit** for bikers amends section 132(f) of the IRS code to include "bicycles" in the definition of transportation covered by fringe benefits. Included in the Ways and Means energy bill is a benefit of \$20/month for those employees who bike to work, which is a clean, healthy and efficient mode of transportation. The provision is based on H.R. 1498, legislation introduced by Blumenauer earlier this year.