

Statement of The Honorable Greg Gianforte
Subcommittee on Energy
“Reviving our Economy: COVID-19’s Impact on the Energy Sector”
June 16, 2020

As we examine the impact of COVID-19 on the energy industry, I feel important to point out that last year, the U.S. Tax Court determined that the IRS erred in issuing guidance surrounding the Section 45 Refined Coal Tax Credit and confirmed that investors making investments in refined coal production should be able to rely on their ability to receive the credit. Unfortunately, despite this ruling, many of these employers will never be able to take full advantage of the Section 45 credit given the approximate two years lost due to the impact resulting from the improper guidance issued by the IRS. As such, in order to compensate for the resulting production shutdowns and loss of investment and jobs – and to be consistent with the legislative intent underlying the Section 45 credit – I believe it is critical that Congress restore the full production period for refined coal facilities currently in existence from ten years to twelve years after a facility was placed in service. As such, I urge the Committee to consider H.R. 2622 as part of any energy package that it may consider this year, as we should not be in the business of picking winners and losers between different types of energy. Importantly, if this extension is not provided and the benefits of the credit go away, we expect that this will undoubtedly result in a rate hike on consumers across the country – a result that is contrary to federal stimulus efforts to date.