Wind Energy Tax Break Fails in U.S. Senate

DAN ELLIOTT,Associated Press

DENVER (AP) — An attempt to extend a federal tax break for wind energy production and other alternative energy sources failed in the U.S. Senate on Tuesday, but supporters say they will try again.

The vote was 49-49 on an amendment to another bill. Sen. Michael Bennet, D-Colo., said the measure needed 60 votes to move forward.

The tax break will expire at the end of the year without an extension.

Bennet says Colorado will suffer a "huge economic blow" unless the tax break is extended. Democratic Sen. Mark Udall has said the wind energy industry will crash without it.

The Danish wind turbine maker Vestas has four plants and 1,800 employees in the state, company spokesman Andrew Longeteig said. In January, when Vestas announced it planned to lay off 2,335 people worldwide, it warned that 1,600 jobs in the U.S. could be at risk if Congress doesn't extend tax breaks for renewable energy.

Ron Rizzuto, a professor of finance at the University of Denver, said the wind energy industry is an important employer in Colorado. He said tax credits are important for the industry's survival because it hasn't developed its infrastructure.

The industry's importance to the state is "more the longer term potential of it and the near-term employment," he said.

Adam Bozzi, Bennet's spokesman, said this was the first vote on extending the tax break, and supporters will look for another chance to bring it to a vote. He said Bennet is optimistic it will be extended by the end of the year.

"Because we have until the end of the year, there's a habit of 11th hour movement," Bozzi said. "We're trying to get something done sooner because of the urgency that we've heard from Colorado."

The tax break is called a producer tax credit. It helps offset the cost of electricity production during a wind farm's first 10 years. Colorado lawmakers say it's helped drive economic growth in Colorado's wind industry.

The amendment that failed Tuesday also included tax credits for energy-efficient homes, biofuels and other initiatives.

—

Follow Dan Elliott at http://twitter.com/DanElliottAP *[1]*

Source URL (retrieved on *12/08/2013 - 2:45pm*):
http://www.chem.info/news/2012/03/wind-energy-tax-break-fails-us-senate

Links:
[1] http://twitter.com/DanElliottAP