Indian Coal Production Tax Credit - Tax Incentive

Summary:
- The Indian Coal Production Tax Credit (ICPTC) provides a crucial tax credit designed to incentivize investment on Indian lands and the hiring of Indian people.
- Permanently extend the ICPTC to protect the economic viability of existing tribal coal mining projects and jobs.

Background Information:
The ICPTC provides a crucial incentive for the development of tribal coal resources that are currently subject to more regulatory requirements than comparable coal development on private, state or federal lands. The ICPTC permits a production tax credit of $2.00 per ton of coal produced on land owned by an Indian tribe. The credit entices industry partners to make investments on tribal lands to further development coal resources. For many tribes, coal mining projects provide a major source of non-federal grant revenue and create much-needed tribal jobs.

The ICPTC was first included in the Energy Policy Act of 2005 and was previously granted a yearly extension or had been retroactive if extended thereafter. However, it expired for tax years beginning after December 31, 2016. The lack of certainty in the future of this tax provision undermines the ability to attract larger, long-term investments

Recommendation:
Congress should make permanent the tax credit for Indian coal that is produced by the taxpayer at an Indian coal production facility and sold to an unrelated person.