

May \_\_\_\_\_, 2020

The Honorable Mitch McConnell  
Majority Leader  
United States Senate  
Washington, D.C. 20510

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Chuck Schumer  
Minority Leader  
United States Senate  
Washington, D.C. 20510

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
Washington, D.C. 20515

Dear \_\_\_\_\_:

The undersigned companies and organizations represent the 2.4 million Americans employed in the energy efficiency field. Our industry includes domestic manufacturers and family-owned, “Main Street” businesses in virtually every community across the U.S. With an estimated 413,500 jobs lost since the onset of the COVID-19 pandemic, our industry has been devastated.

The purpose of this letter is to ask that you move quickly to improve and expand the current Section 25C tax credit for homeowner energy efficiency improvements. At the right level, this tax credit has a proven track record of putting contractors and manufacturers in this industry back to work while making home improvements that lower homeowners’ heating and cooling bills, improve comfort, and address important environmental objectives.

Specifically, we ask that you update the Section 25C tax credit based on the bipartisan Home Energy Savings Act of 2019, introduced in the Senate by Sens. Susan Collins (R-ME) and Maggie Hassan (D-NH) and in the House by Representatives Jimmy Gomez (D-CA) and Mike Kelly (R-PA). The bill resets the lifetime single-use cap on the credit and raises the credit amount from the current 10 percent to 15 percent of eligible expenditures, up to \$1,200, for the installation of energy efficient cooling and heating systems, windows, insulation, water heaters and other products.

To help speed the recovery in our sector, we ask that you double the amount of the credit for the next two years from the \$1,200 called for in the bill to \$2,400, and double the percentage of eligible expenditures from 15 percent to 30 percent. Our experience working with customers shows that the current 25C credit of \$500 is not enough to spur homeowner investment, certainly not enough to rehire hundreds of thousands of lost jobs.

When our country last faced a crippling economic crisis in 2009, Congress responded by significantly expanding residential energy tax credits, including raising the 25C credit to \$1,500. This policy immediately boosted the number of claims for residential energy credits to nearly 7 million per year in 2009 and 2010, with the dollar amount for the claims increasing roughly five-fold over previous years – driving billions of dollars in economic activity.

Nearly 80 percent of energy efficiency companies have fewer than 20 employees, and these small businesses have been the hardest hit in our sector by the pandemic shutdown, with workers unable to

get into homes and buildings to do their work. Providing a robust tax incentive for homeowner energy efficiency improvements will quickly restart this industry and help put these workers back on the job.

Sincerely,

CC: Members of House Ways and Means Committee and Senate Finance Committee