



Insight

A Solyndra Tax Credit Goes... Permanent?!

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You may have missed it, but buried in the Obama Administration's 2016 budget is a proposal to make permanent the Investment Tax Credit (ITC) – a [favorite & memorable credit for those buying Solyndra's solar panels](#).

ITC gives consumers buying solar panels tax credits for up to 30 percent of the cost in order to boost demand and buoy a fading industry. Though the ITC is normally a 10-30 percent tax credit, Solyndra, as you may remember, was able to exploit the program with a special deal for their customers raising the credit to \$6,000 back on a \$10,000 purchase. Even with the extra tax credit and \$535 million in government loans, Solyndra was still unable stay afloat.

As AAF's Catrina Rorke has pointed out, sometimes [what energy tax credits are actually buying us](#), isn't what we are putting into them. The ITC, along with the electricity production tax credit, is estimated to cost a combined [\\$31.452 billion](#) over the next decade, according to the Administration. Unfortunately, the numbers don't back up the promise and the program has failed to spark enough interest to allow for solar to gain any foothold within American's energy needs.

After Solyndra, how can we expect a permanent ITC will bring a different result? Trying the same tactic year after year? A fitting proposal delivered on Groundhog Day.