

Press Release



Energy Tax Credits in the Build Back Better Act Run Afoul of the World Trade Organization

PAULINA ENCK | DECEMBER 20, 2021

In the Build Back Better framework (BBB), the Biden Administration has made reducing carbon emissions, while focusing on “Buy American” provisions, a major goal. In a new insight, Data and Policy Analyst Tom Lee explains how climate-related tax credits tied to protectionist policies could violate World Trade Organization (WTO) rules and, as a result, damage relations between the United States and its trade partners.

Key points:

- To achieve the Biden Administration’s climate goals, the Build Back Better Act (BBBA) contains numerous climate-related tax credits that increase in value if the products they cover are produced in the United States.
- These types of provisions are de facto protectionist domestic content subsidies which are prohibited by existing World Trade Organization rules.
- The BBBA’s climate-related tax credits would damage relations between the United States and its strategic trade partners and would hurt American producers of clean energy.

[Read the analysis](#)