



Economic Stimulus Package

Tax Recommendations to Spur Investment and Economic Growth December 18, 2008

- Bonus Depreciation

Extend current law (50%) bonus depreciation for 2 years (through 2010). Continue to permit an extra year for long-lived property to be placed-in-service (through 2011).

- Transmission Depreciation

Reduce current law (15 year) depreciable life for electric transmission property to a 5-year recovery period.

Designated renewable transmission property should receive 50% bonus depreciation treatment over a 5 year placed-in-service window.

- Distribution Property Depreciation

Reduce current law (20 years) distribution property depreciation to 10 years

- Smart Meters/Smart Grid

Current law 10 year depreciable life should be reduced to 5 years.

- Production Tax Credit for Wind. et. al. (IRC Sec. 45)

Extend the Sec. 45 credit for 5 years (through 2014) at full value.

- Plug-in-hybrid Electric Vehicles (PHEV's)

Extend and expand tax provisions, as endorsed by the Electric Drive Transportation Association (EDTA), which promotes electric transportation.

Broaden the Emanuel-Boren Bill (H.R. 6570) promoting natural gas vehicles to include PHEV's (summary outline attached).



- Carbon Reduction

Provide a 7 year depreciable life for investments in CO2 reduction systems installed after 1/1/08 on existing coal-fired electric generation plants.

- Energy Efficiency Provisions

Energy-Efficient Existing Homes - Extend the tax credit for energy-efficient existing homes through 2011.

Energy-Efficient Commercial Buildings - Extend the energy-efficient commercial buildings deduction through 2013.

Energy-Efficient Appliance Credit - Modify the existing energy-efficient appliance credit and extend this credit through the end of 2011.

New Energy-Efficient Home Credit - Extend the credit through 2011.