

# COVID-19 & the Solar Investment Tax Credit

## Delaying the Phasedown Will Create Jobs & Stimulate the Economy

### The Solar Investment Tax Credit Has Spurred Job Creation

- The solar Investment Tax Credit (ITC) is one of the most successful clean energy policies in U.S. history and has helped the industry grow by more than 10,000% since it was enacted in 2006.
- A long-term extension of the ITC was passed by Congress in bipartisan fashion in 2015. This extension included a phasedown schedule that began at the end of 2019. The current 26% credit will step down to 22% at the end of 2020.
- Before the COVID-19 recession, solar companies added more than 150,000 U.S. jobs in the last decade, **growing five times faster than the overall economy over the last five years alone**. With more time to recover COVID-19 related losses, the solar economy can create jobs again.

### Delays and Demand Reduction from COVID-19

- Due to COVID-19, demand for solar has fallen and solar companies, many of whom are small businesses, do not have the project pipelines they need to maintain their workforces.
- When the COVID-19 pandemic hit the U.S., **the solar industry lost more than 70,000 jobs, wiping out 5 years of job growth in just a few months**. Some of these jobs have returned, but lingering financial uncertainty and the impending stepdown of the tax credit are limiting the industry's recovery.
- Many of these job losses have taken place in residential solar. This sector utilizes a non-business tax credit, Section 25D, which would not benefit from a business tax only system of direct pay or monetization provision for the ITC.
- A delay of the ITC phasedown schedule would allow solar companies to **rebuild their pipelines, rehire currently furloughed workers and even hire new workers**, helping to rebuild the American economy.

### U.S. Distributed Solar Market Outlook, Baseline vs. COVID-19 Impact

- Baseline
- COVID-19 Impact

Distributed solar includes residential, C&I, non-profit, government and community solar



**Delaying the ITC phasedown and maintaining the current 26% rate for 2021 and 2022 will save jobs and help stimulate the U.S. economy**

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