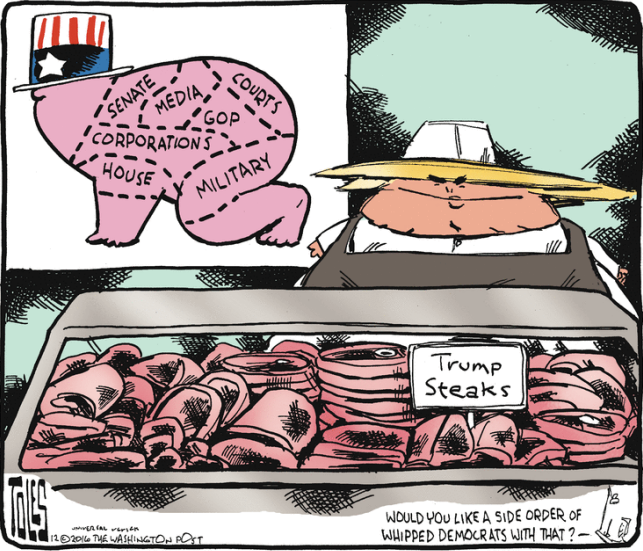


Federal Incentives Update

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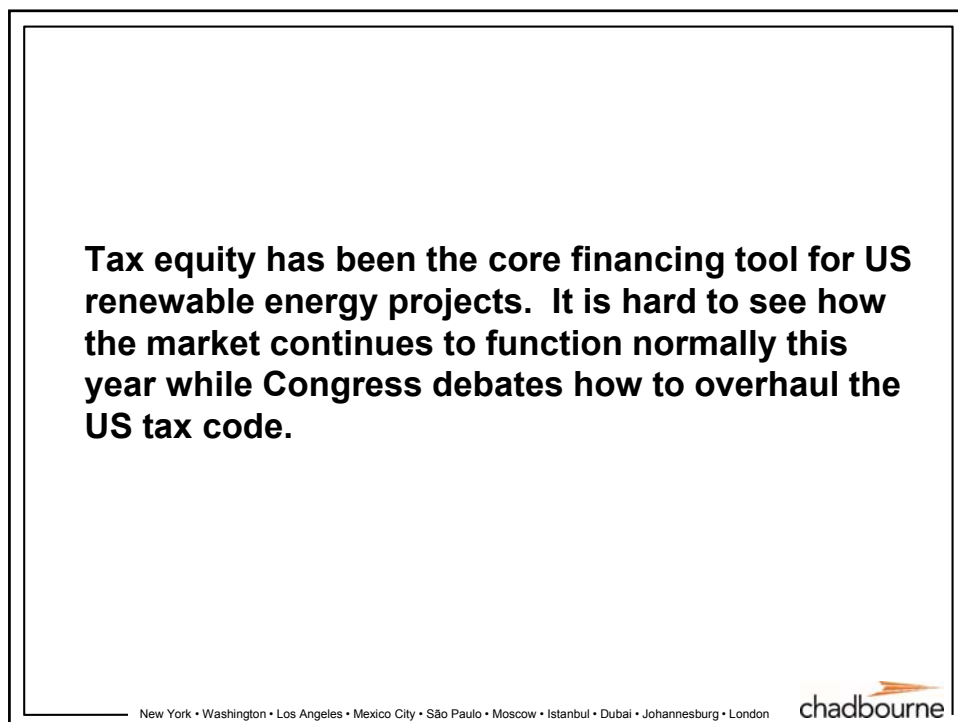


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Tax equity has been the core financing tool for US renewable energy projects. It is hard to see how the market continues to function normally this year while Congress debates how to overhaul the US tax code.



House Republicans are working on a bill that would make five major changes of consequence to the project finance market. The bill would reduce the corporate tax rate to 20%, allow the full cost of new equipment to be deducted immediately, deny interest deductions, exempt export earnings from income taxes, and deny any cost recovery for imported goods and services.

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By far the most controversial part of the plan is the "border adjustment." Economists say that the dollar would strengthen enough to offset the additional tax burden on importers. The border adjustment would raise \$1.2 trillion in additional taxes. Without it, the whole plan unravels.

**retailers
oil refiners
farmers?
Trump?**

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