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Just in Time for Holidays: President Obama Signs ITC and PTC Extension Into Law

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On Friday, President **Obama** signed into law the bipartisan \$1.1 trillion [Consolidated Appropriations Act of 2016](#) and the \$680 billion [Protecting Americans From Tax Hikes \(PATH\) Act of 2015](#), better known as the omnibus and tax reform bill and the tax-extenders bill, respectively.

As we discussed in detail in our prior blog post [here](#), the omnibus and tax reform bill includes a multi-year extension of the section 48 investment tax credit (ITC) for solar energy property, section 25D residential energy efficient property credit for homeowners that install and own solar property, and section 45 renewable electricity production tax credit (PTC) for wind. The tax-extenders bill includes a 2-year extension for other renewable energy facilities eligible for the section 45 credit including geothermal, biomass, landfill gas and certain qualified hydropower and marine hydrokinetic energy projects. The tax-extenders bill also extends bonus depreciation 5 years.

These extensions are a huge boon to the renewable energy sector, as the tax credit and bonus depreciation reduce project financing costs and increase profit margins.

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