

PIMA I Public Policy Position



PIMA Letter to Senate Finance Committee Members on Energy Efficient Tax Incentives

The Honorable [insert full name]
United States Senate
Washington, D.C. 20510

Dear Senator [insert last name]:

The Polyisocyanurate Insulation Manufacturers Association (PIMA) would like to urge you to support the tax incentives for the construction of energy-efficient homes and commercial buildings contained in S. 597, the “Energy Tax Incentives Act of 2003,” introduced by Senators Grassley and Baucus. I understand this bill will be marked-up by the Senate Finance Committee soon. PIMA is the trade association for manufacturers of rigid polyiso foam insulation, a product that is used in over 60 percent of new commercial roof construction, in 40 percent of new residential construction, and in most re-insulation of existing commercial building roofs. PIMA members have 26 polyiso manufacturing facilities in 16 states and Canada.

The provisions of S. 597 are substantially similar to provisions that enjoyed strong bipartisan support and approval by the Senate last year. For the construction or reconstruction of commercial buildings, section 305 of the bill would provide a tax deduction equal to the “energy-efficient commercial building property” expenditures, up to a limit of \$2.25 per square foot. To qualify, the energy-efficient commercial building property must reduce energy costs with respect to lighting, heating, cooling, ventilation, and hot water supply systems of the building by 50 percent or more in comparison to ASHRAE 90.1-1999 (a commonly used energy code for commercial buildings).

Section 301 of S. 597 would provide homebuilders with a tax credit of \$2,000 for the construction of new homes that are at least 50 percent more energy efficient than the 2000 IECC (a commonly used energy code that includes homes), or \$1,250 for new homes that are at least 30 percent more energy efficient.

These tax incentives will help overcome market barriers that discourage greater use of energy saving technologies and products. The energy saved as a result of these tax incentives would reduce air pollution, decrease our country's dependence on foreign oil, and ease demand for natural gas (which, under current supply constraints is driving up prices and harming several of our country's most energy-sensitive manufacturing sectors). Also, the legislation promotes the use of energy saving technologies and products that, over the long-term, would save money for homeowners and businesses, while increasing personal comfort and productivity as well.

Thank you for your consideration of this important matter.

Sincerely,

Jared O. Blum
President