Industrial Development Bonds (IDB)

Under current law, certain manufacturing facilities are eligible for tax exempt bond financing. Section 144(a) (12) (C) specifically limits the definition of a manufacturing facility for the purposes of such financing to facilities that are used in the manufacturing or production of tangible personal property. This provision amends the definition of manufacturing facility to any facility used in the manufacturing, creation, or production of tangible or intangible property described in section 197(d)(1)(C)(iii). Intangible property is any patent, copyright, formula, process, design, pattern, knowhow, format, or other similar item. The proposal also clarifies which physical components of a manufacturing facility qualify as "ancillary" and therefore are subjected to a 25% limitation in the amount of bond issuance used to build or re-construct those components. (from Full Summary of Provisions from the Senate Finance and House Ways & Means Committees)

How to Apply: This provision will take effect adding to the definition for tax exempt bonds.

Advanced Energy Investment Credit.

This provision establishes a new 30% investment tax credit for facilities engaged in the manufacture of advanced energy property. Credits are available only for projects certified by the Secretary of Treasury, in consultation with the Secretary of Energy, through a competitive bidding process. The Secretary of Treasury must establish a certification program no later than 180 days after date of enactment, and may allocate up to $2.3 billion in credits. Advanced energy property includes technology for the production of renewable energy, energy storage, energy conservation, efficient transmission and distribution of electricity, and carbon capture and sequestration. (from Full Summary of Provisions from the Senate Finance and House Ways & Means Committees)

How to Apply: Please check www.energy.gov/recovery for more information.