

Donald Trump's electoral college win a year ago certainly promised a lot of setbacks for the environmental movement. True to form, his administration's attempts this year to roll back environmental protections, under-staff key agencies enforcing our environmental laws, and prop up dirty energy industries have all taken their toll.

However, until the tax bill passed the Senate this week, a lot of the damage was arguably either relatively limited in scope or thwarted by the courts. But the new tax legislation passed by both houses of Congress, and undergoing changes in conference committee ahead of another vote, could dramatically undercut a number of key environmental measures in ways we haven't yet seen from this administration and congress.

First, the Senate bill targets clean technology while promoting dirty energy:

1. Renewable energy tax credits used to finance new wind and solar facilities are severely undercut by an obscure provision in the bill called Base Erosion and Anti-abuse Tax (BEAT), as Greentech Media [reports](#). The provision would make it harder for multinational corporations to reduce their tax rates by buying these tax credits. At issue are the production tax credit (PTC) for wind developers and the investment tax credit (ITC) for solar projects. This bill language would decrease the value of the credits, making the renewables projects harder to finance.
2. Similarly, the reinstatement of the alternative minimum tax for corporations, which was not in the House bill, also hurts the market for renewable tax credits, if not devastates it. By inserting this provision at the [very last minute](#), Senate leaders attempted to offset some of the other tax cuts and projected deficits by ensuring corporations pay a minimum tax. The problem is that it renders many tax credits worthless, as businesses will no longer need them to reduce their tax burden.
3. As a "dirty cherry" on top, the Senate bill opens the Arctic National Wildlife Refuge to oil drilling.

On housing, the tax bill has the potential to devastate affordable housing and other badly needed infill projects. Affordable projects often rely on tax credits for financing. As Novogradac & Company [writes](#), the BEAT provision will dampen corporate investors from claiming tax credits like the low-income housing tax credit (LIHTC), new markets tax credit (NMTC), and historic tax credit (HTC), all used to fund affordable and other infill projects. Other changes in the bill promise further dampening of financing for affordable housing. (For an affordable developer

perspective on the changes, listen to Mary Murtagh depressing account at minute 38 of the new CalMatters [housing podcast](#).)

The only good news for environmental and housing advocates is that there is still a chance to make changes in the final bill as it goes through the joint conference committee now. And ultimately that the provisions here can be rescinded in 2021, with a new congress and president. But there's no denying that the bills as currently written represent a huge setback for clean energy and land use policies across the country.