As the Senate takes a final look at the Build Back Better Act, Majority Leader Chuck Schumer can cement his legacy as a champion for environmental justice. Alongside billions in grants that promote environmental justice and the pursuit of the Justice40 Initiative, tucked away in this bill is a seemingly small but critically important change to the tax code that could unlock the potential of clean energy for low-to-moderate-income families throughout New York and across the country.

If Schumer gets this policy along with the entire Build Back Better Act passed without further delay, he will have taken a major step forward in advancing a progressive agenda that combats climate change and corrects years of social and racial inequity in the tax code.

New Yorkers have been hit hard by climate change in recent years. Look no further than Hurricane Ida, which left a climate-fueled trail of death and devastation in its wake, flooding basement apartments and turning highways into rivers.

As with so many other issues, communities of color have borne the brunt of this climate crisis. A recent Environmental Protection
Agency report showed that Black individuals are 40% more likely to live in areas that see more deaths related to extreme weather temperatures and 50% more likely to live in areas with the highest projected increases in childhood asthma diagnoses due to climate-driven changes in air pollution.

Study after study shows our planet is now at code red, and we need tangible solutions before we reach the point of no return. We can start by expanding equitable household access to renewable energy — and in particular, solar power.

Forty-two percent of energy-related greenhouse gas pollution in America comes from decisions made in the household. Incentivizing the transition to residential renewable energy can help marginalized and low-income families deal with skyrocketing utility bills and reduce their already high energy burden, while also helping spur economic growth and creating job opportunities for low-income communities of color.

If lawmakers are looking to make an immediate impact, investing in these technologies is a no-brainer. The solar industry, for example, already employs more than 250,000 workers nationwide and adds jobs 20 times faster than the broader economy. And, clean energy jobs tend to pay more.

The tax code, however, has been anything but fair.

While Section 25D of the Investment Tax Credit has been successful in helping homeowners install renewable energy systems in their homes, only those with a high enough tax bill have been able to take full advantage of the credit. Which has contributed to leaving low- and moderate-income families out of the clean energy economy — denying them the cost savings, emissions reductions and health benefits from rooftop solar that are available to their white, wealthier neighbors.
According to RMI, as the tax law is currently written, seven out of 10 households cannot receive the full investment tax credit because they do not have enough tax liability to fully benefit from it. The Build Back Better Act would fix this by making the 25D residential renewable energy tax credit refundable — a change that RMI estimates could benefit as many as 40 million households.

That is a huge step forward. Following Schumer’s lead, the Senate should pass the Build Back Better Act before Christmas this year and deliver the gift of clean energy for all. If it does, Schumer will have cemented his legacy as a champion of climate justice and secured a historic win for progressives, our country and our climate.

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