



Qualifying Projects for PTC and ITC - Start of Construction

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PTC and ITC

- Production Tax Credit (PTC)

- Section 45 of the Internal Revenue Code provides a production tax credit for wind and other renewable energy facilities. The amount of PTC available depends on when construction begins.

- Investment Tax Credit (ITC)

- Section 48(a) of the Internal Revenue Code provides an investment tax credit for solar and other renewable energy property. The amount of ITC available depends on when construction begins.

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1

PTC Phase-out for Wind Facilities

If construction begins:	the PTC is reduced by:
Before 2017	0%
During 2017	20%
During 2018	40%
During 2019	60%

2

PTC Phase-out for Wind Facilities

If construction begins:	the PTC is reduced by:
Before 2017	0%
During 2017	20%
During 2018	40%
During 2019	60%
During 2020	40%

3

ITC Phase-down for Solar Facilities

If construction begins:	and is completed before:	the ITC percentage is:
Before 2020	2024	30%
During 2020	2024	26%
During 2021	2024	22%
After 2021	No end date	10%

IRS Guidance

- PTC:
 - Notice 2013-29
 - Notice 2013-60
 - Notice 2014-46
 - Notice 2015-25
 - Notice 2016-31
 - Notice 2017-4
 - Notice 2019-43
- ITC:
 - Notice 2018-59
 - Notice 2019-43

Beginning of Construction for Purposes of the Renewable Electricity Production Tax Credit and Energy Investment Tax Credit

Notice 2013-29

SECTION 1. PURPOSE

Under the American Taxpayer Relief Act of 2012, Pub. L. No. 112-240, 126 Stat. 2313 (ATRA), a qualified facility (as described in section 45(d) of the Internal Revenue Code) will be eligible to receive the renewable electricity production tax credit (PTC) under section 45, or the energy investment tax credit (ITC) under section 48 in lieu of the PTC, if construction of such facility begins before January 1, 2014. This notice provides guidelines and a safe harbor to determine when construction has begun on such a facility.

Beginning of Construction for the Investment Tax Credit under Section 48

Notice 2018-59

SECTION 1. PURPOSE

On December 18, 2015, the Consolidated Appropriations Act, 2016, Pub. L. No. 114-113, Div. P, Title III, § 303, 129 Stat. 2242, extended and modified the investment tax credit (ITC) under § 48 of the Internal Revenue Code (Code). As modified, § 48 phases down the ITC for solar energy property the construction of which begins after December 31, 2019, and before January 1, 2022, and further limits the amount of the § 48 credit available for solar energy property that is not placed in service before January 1, 2024.

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