### **JUNE 2024**





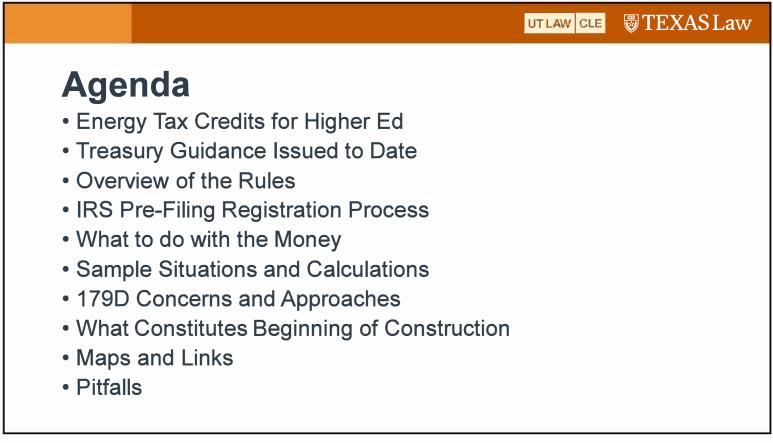
## IRA ENERGY TAX CREDITS

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# **Energy Tax Credits for Higher Ed**

- New and expanded incentives created under Inflation Reduction Act ("IRA")
  - Direct pay election (IRC Section 6417)
    - Available to applicable entities as direct cash refund (via 990-T filing)
    - Effective for tax years beginning AFTER December 31, 2022
    - Examples:
      - Energy Investment Tax Credit (Section 48)
      - Commercial Clean Vehicles (Section 45W)
      - Alternative Fuel Refueling Property Credit (Section 30C)
      - Carbon Oxide Sequestration Credit (45Q)
  - Expansion of Section 179D deduction
    - Energy Efficient Commercial Building Property ("EECBP")
    - Deduction allocated to eligible parties (Designer, contractors, etc.)

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# **Treasury Guidance Issued to Date**

Eligible Property

Proposed Regulation 1.48-9 (published Nov 22, 2023)

- Prevailing Wage & Apprenticeship ("PWA")
  - Notice 2022-61 (published Nov 30, 2022)
  - Department of Labor Guidance (published Aug 23, 2023)
  - Proposed Regulations (published Aug 30, 2023)

#### Domestic Content

- Notice 2023-38 (published May 30, 2023)
- Notice 2024-9 (published December 28, 2023)

#### Energy Community

- Notice 2023-29 (published, April 4, 2023)
- Notice 2023-45 (published June 15, 2023)
- Notice 2023-47 (published June 15, 2023)

#### Low-Income Communities

- Notice 2023-17 (published March 6, 2023)
- Proposed Regulations (published June 1, 2023)
- Final Regulations (published August 15, 2023)
- Rev. Proc. 2023-27 (published August 2023)
- Rev. Proc. 2024-19 (published March 2024)

#### Direct Pay (IRC Sec 6417)

- Final Regulations (published March 11, 2024)
- Proposed Regulations (published June 21, 2023)
- Temporary Regulations on Pre-Registration (published June 21, 2023)

#### • Transferability (IRC Sec 6418)

- Final Regulations (published April 30, 2024)
- Proposed Regulations (published June 21, 2023)
- Notice 2024-27 (published March 5, 2024)\*

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Overview of rules
Final Regulations
Sec 6417 - apply for taxable years ending on or after March 11, 2024
Largely adopts the proposed regulations
Fixed drafting error that left out instrumentalities
Updated ordering rules for calculating elective payment prior to applying Section 38(d)
Clarification on using grants and forgivable loans to purchase energy property
Sec 6418 (Transferability) – apply for taxable years ending on or after April 30, 2024
Generally if eligible entity under 6417, this section is not applicable
Notice 2024-27 to request comments on chaining – comment period ends 12/1/2024

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### Title search: IRA Energy Tax Credits

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