

Inflation Reduction Act – Transferable Tax Credits

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01 Introduction

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Inflation Reduction Act of 2022: Overview

- Signed into law on August 15, 2022.
- Largest investment in clean energy and climate change by US.
 - Projected to significantly reduce greenhouse gas emissions by 2030.
 - Promises over \$700 billion for energy and climate change, with over \$370 billion of funding to provide tax credits for clean energy projects.

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Transferable credits expanded or added by IRA

- Clean energy production.
 - Section 45 – Credit for electricity produced from certain renewable resources.
 - Section 45Y – Clean energy production credit (technology neutral).
 - Section 45V – Clean hydrogen production credit.
 - Section 45U – Zero emission nuclear power production credit.
 - Section 45Z – Clean fuel production credit.
- Clean energy investment.
 - Section 48 – Energy credit.
 - Section 48E – Clean electricity investment credit (technology neutral).

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Credits expanded or added by IRA and CHIPS Act

- Carbon capture and sequestration.
 - Section 45Q – Credit for carbon oxide sequestration.
- Manufacturing.
 - Section 45X – Advanced manufacturing production credit.
 - Section 48C – Advanced energy project credit.
- Clean vehicles.
 - Section 30C – Alternative fuel vehicle refueling property credit.

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