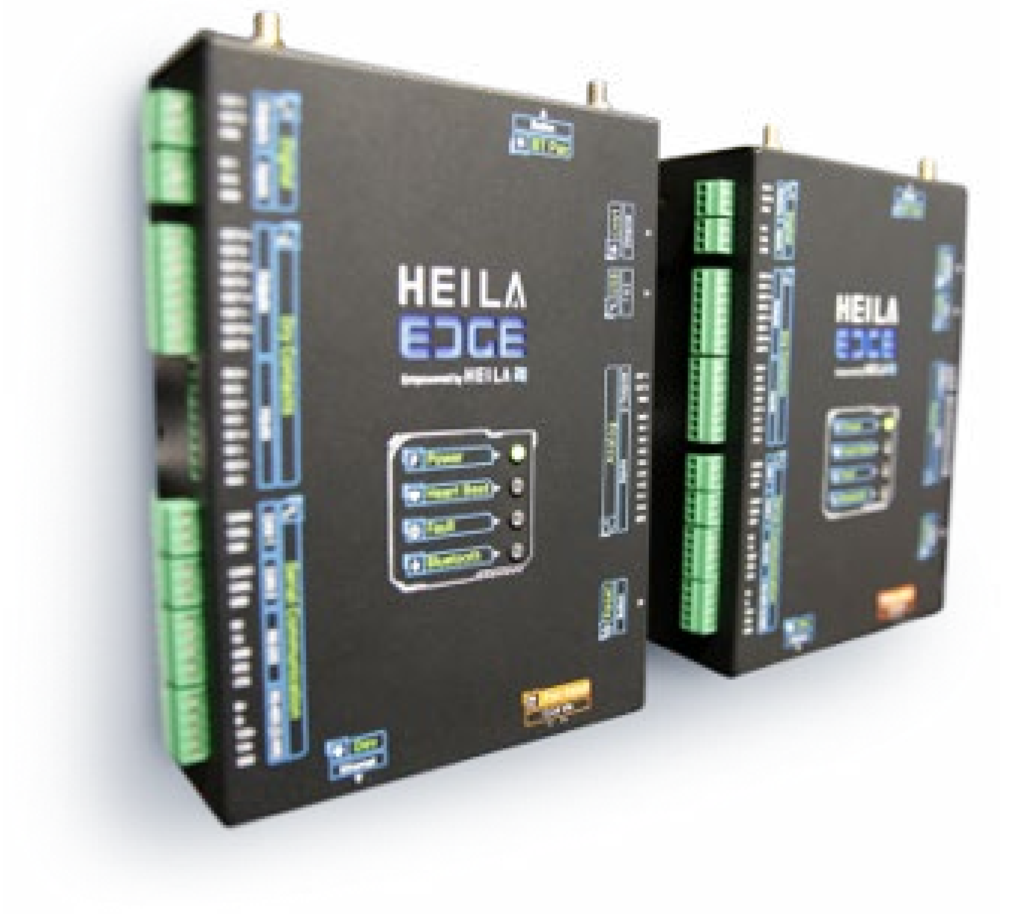
Mass Fleet Advisor Updates and Federal Tax Incentives Webinar

December 11, 2024

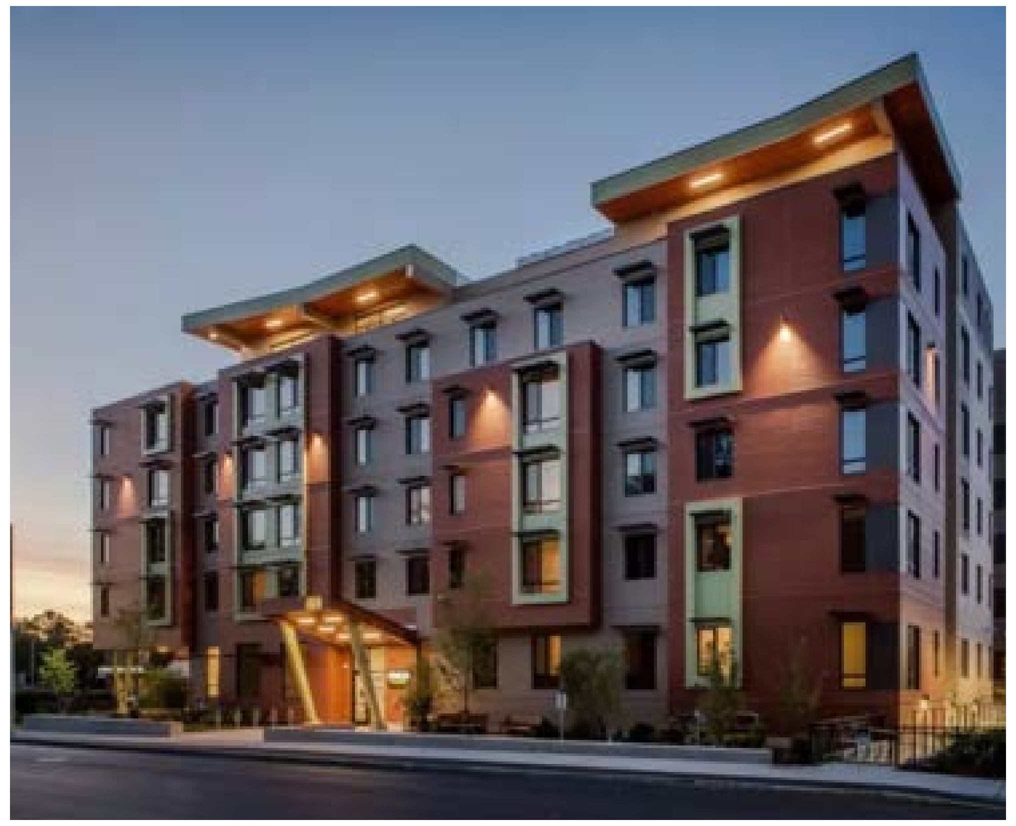
MassCEC's Work Spans Four Main Areas of Climate Impact for MA

Climatetech Innovation & Investment



We're helping new climate-focused businesses grow faster through direct support and by creating an ecosystem where they connect and thrive.

Accelerating Decarbonization

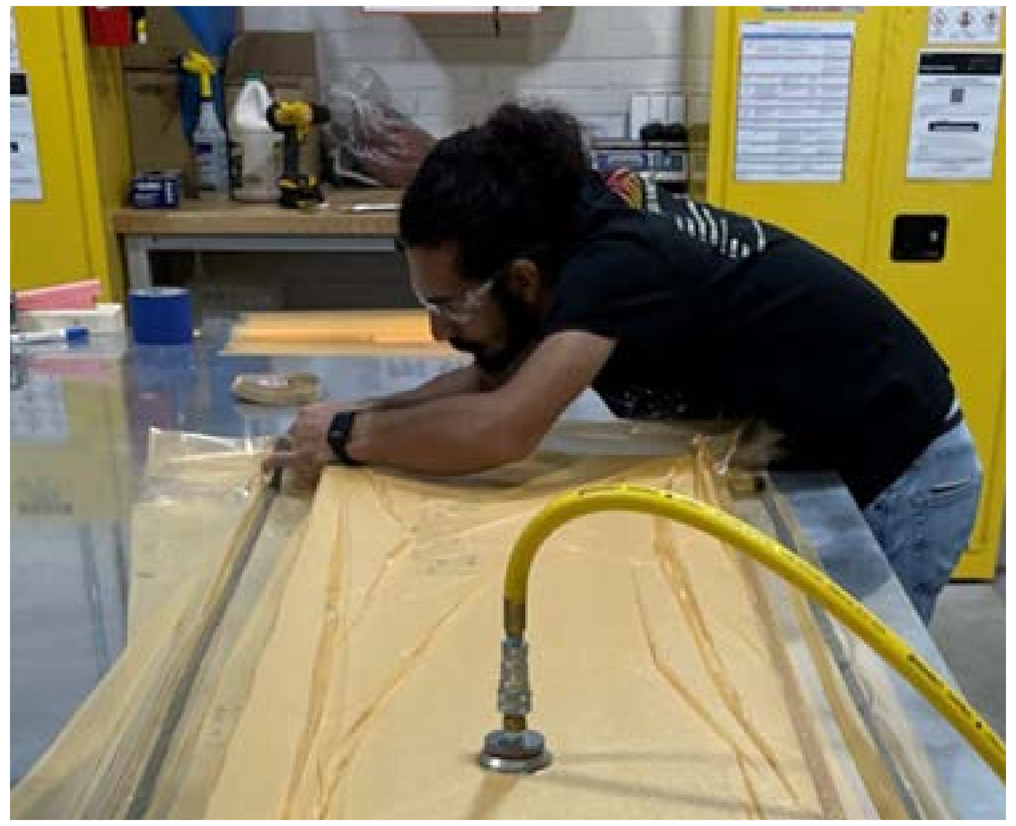


We're tackling barriers to widespread use of clean energy and climate technology in buildings, transportation, and the grid.

Large Scale Deployment: Offshore Wind

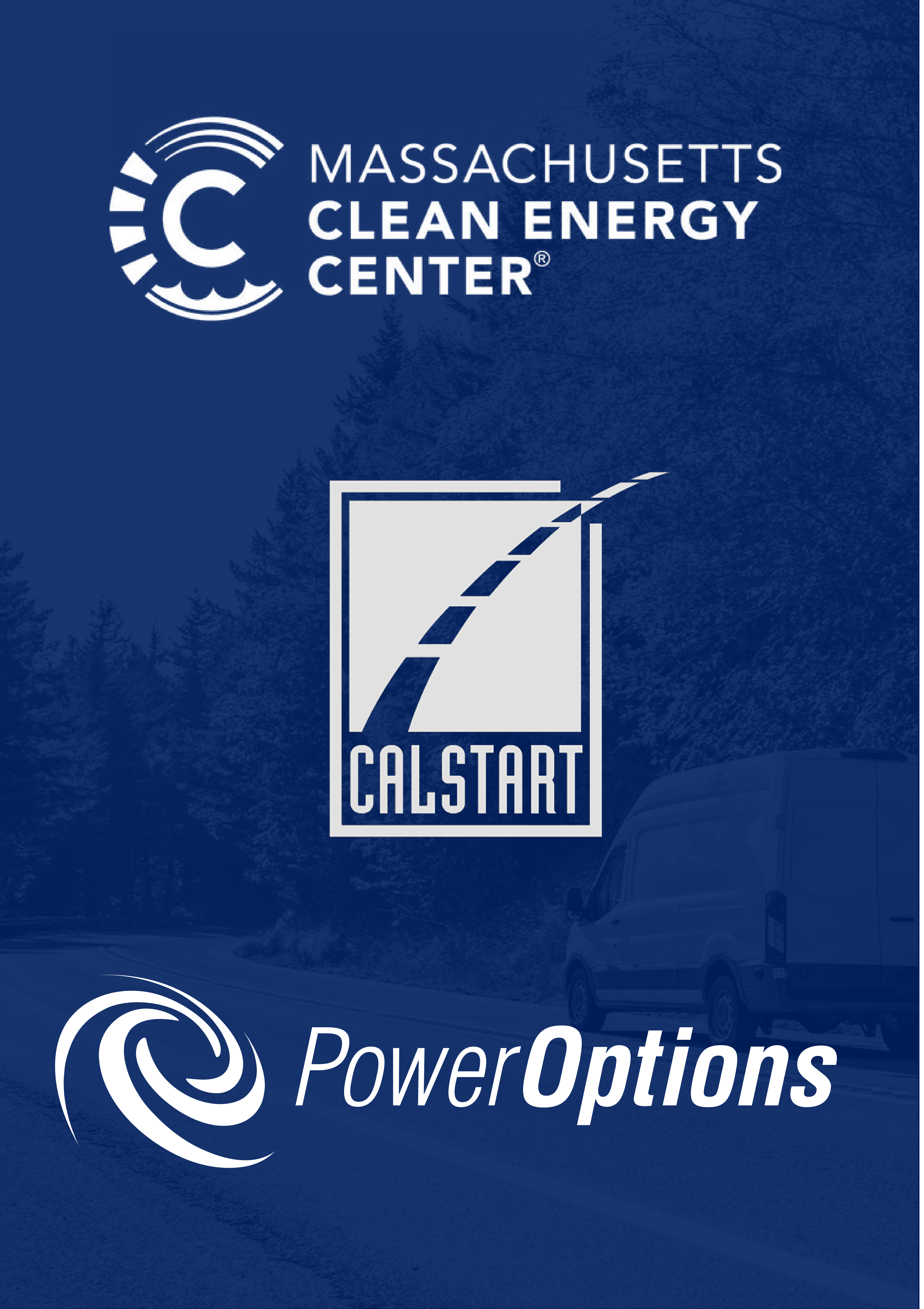
We're building a cutting-edge offshore wind industry, marshaling world-class ports, a robust supply chain and a highly trained workforce.

Clean Energy & Climate Workforce Development



We're partnering with schools and other education partners to build the skilled and diverse workforce essential to achieving our climate goals.

MassCEC has invested in $650M in the MA clean energy economy and has attracted more than $2.5B in private & federal funds



What is Mass Fleet Advisor?

- Mass Fleet Advisor provides free technical assistance for medium- and heavy-duty fleets interested in exploring their fleet electrification options through personalized Fleet Electrification Reports
- The Mass Fleet Advisor Program is designed and funded by the Massachusetts Clean Energy Center
- CALSTART serves as Lead Consultant, manages the program, and prepares each fleet's report
- For nonprofit fleets, PowerOptions works with CALSTART to serve as the Fleet Relationship Manager
- The program has expanded to include up to 200 fleets, as our original 65 spots are nearly filled

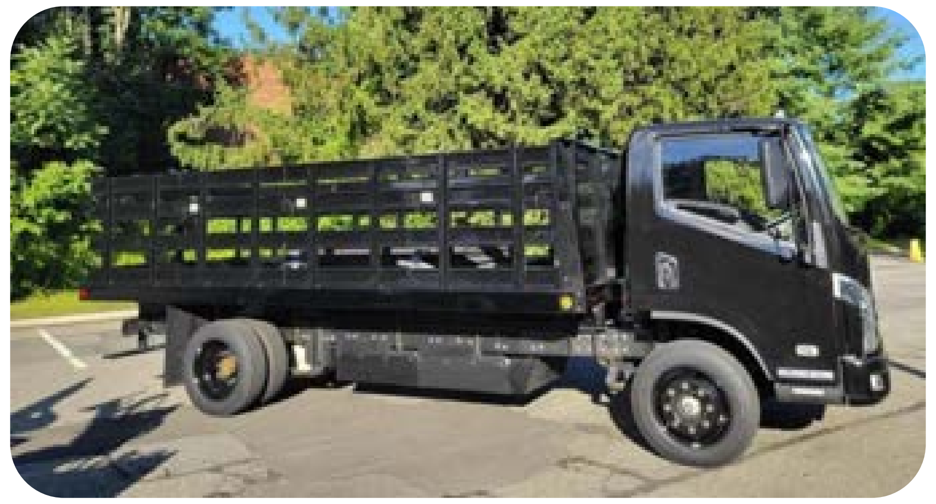
Sign up to participate at massfleetadvisor.org

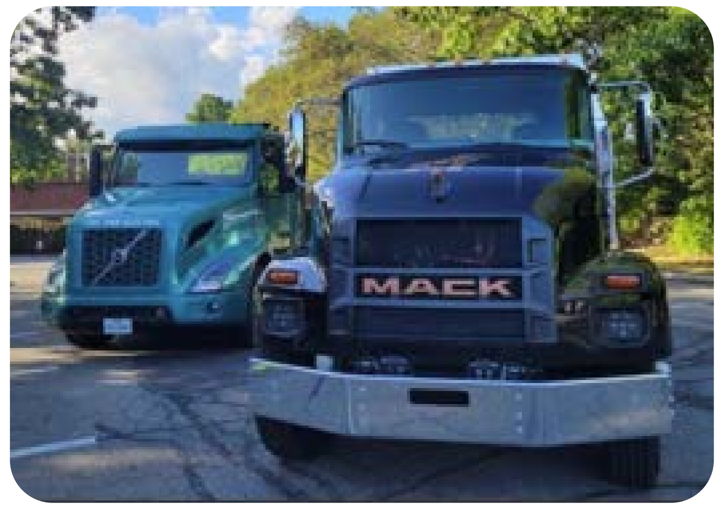
MASS FLEET ADVISOR

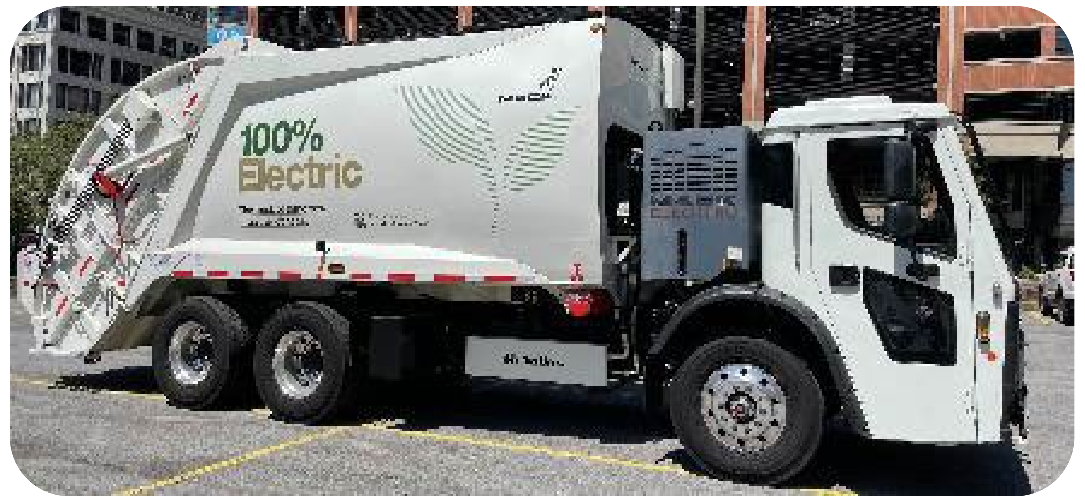
Who is Eligible?

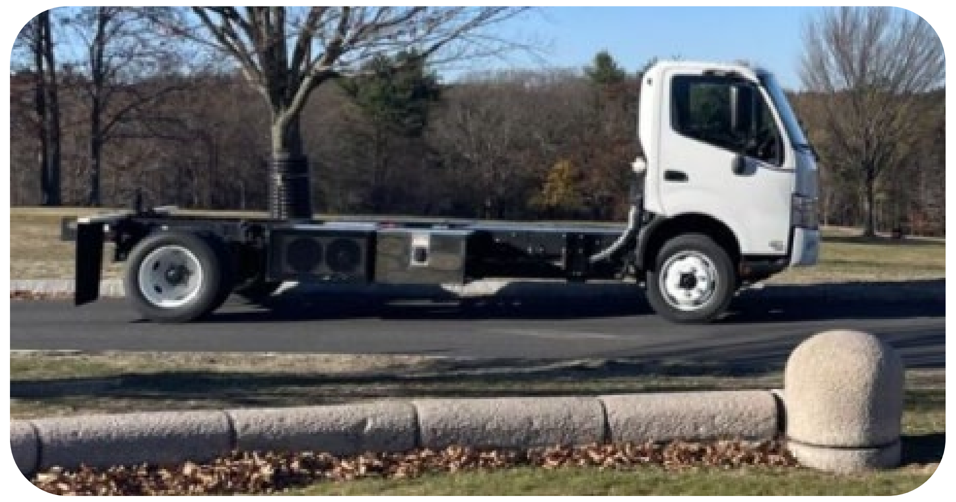
- Any private or non-profit fleet operating or with a depot in Massachusetts is eligible for this free, no obligation support
- Municipalities served by a MLP are now eligible!
- Your fleet must have at least three vehicles, one of which is medium or heavy duty
- Fleets are not required to purchase any electric vehicles

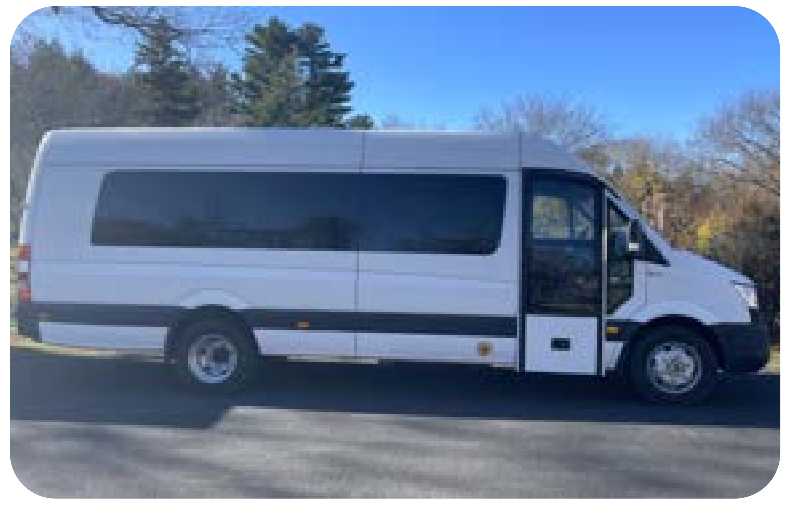
Sign up to participate at massfleetadvisor.org

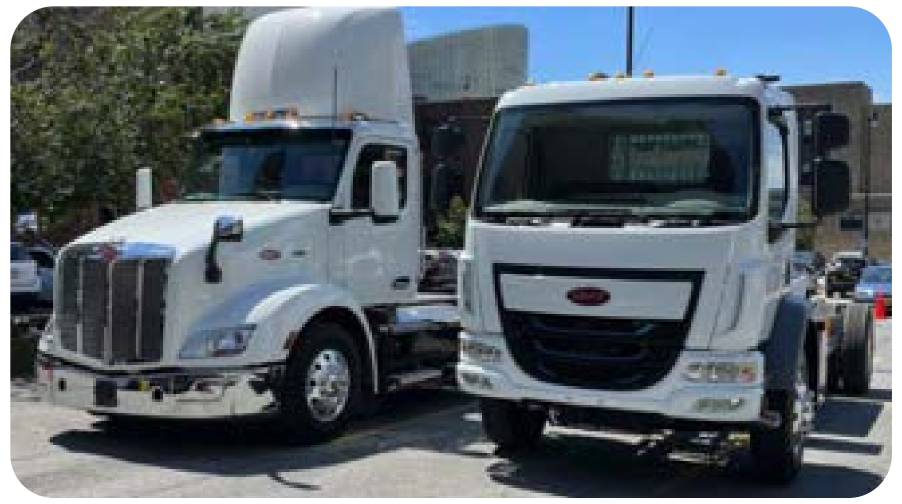












MASS FLEET ADVISOR

What's Provided by the Program?

Personalized Fleet Electrification Report provided to each fleet includes:

- One-to-One electric vehicle replacement options
- Total Cost of Ownership Calculations
- Infrastructure upgrades and Electric Vehicle Supply Equipment (EVSE) recommendations
- Customized charging plan
- Recommendations for short- and long-term electrification of your vehicles
- Information about available financial incentives

How Do I Sign Up?

Sign up at massfleetadvisor.org or by emailing massfleetadvisor@calstart.org

Total time needed from fleet is 3 to 5 hours

1. **Pre-participation Virtual Call:** ***15 to 30 minutes***
2. **Sign Participation Agreement**
3. **Receive and complete Fleet Intake Form**
   - Vehicle make/model, operational schedule, average annual mileage for your existing fleet
4. **Every fleet now receives a free site assessment for charging equipment exploration**
5. **Additional options for deeper analysis:**
   - Install dataloggers for 2-4 weeks or share existing GPS data
   - Solar Analysis

Inflation Reduction Act:

The Commercial Clean Vehicle Credit, Alternative Fuel Vehicle Refueling Property Credit and Elective Pay

Jeffrey Latessa | Stakeholder Liaison

IRS.gov/CleanVehicles

Clean vehicle tax credits

English | Español | 中文 (简体) | 中文 (繁體) | 한국어 | Русский | Tiếng Việt | Kreyòl ayisyen

Family, Dependents and Students

Clean Energy and Vehicle Credits

Clean Vehicle Credits

New Vehicles Bought 2023 or After

New Vehicles Bought 2022 or Before

Used Vehicles

Commercial Vehicles

Seller or Dealer Requirements

Manufacturer Requirements

We'll help you determine whether your purchase of an electric vehicle (EV) or fuel cell vehicle (FCV) qualifies for a tax credit based on whether you are:

- Planning to buy a new clean vehicle
- Looking to claim a credit for a new clean vehicle you already bought
- Planning to buy or already bought a used clean vehicle
- Buying a vehicle for business use

This page covers rules before and after changes under the Inflation Reduction Act of 2022.

At the time of sale, a seller must give you information about your vehicle's qualifications. Sellers must also register online and report the same information to the IRS. If they don't, your vehicle won't be eligible for the credit.

Planning to buy a new vehicle for personal use

Credits under these rules are available through 2032.

- How the credit works and qualified vehicles
- Check to see if the vehicle you are interested in qualifies

Credit For Commercial Clean Vehicles (IRC section 45W)

- The credit is available for businesses and certain tax-exempt entities; **tax-exempt entities can receive the credit as an elective payment.**
- The maximum credit amount is **$7,500** per vehicle with a gross weight rating of less than 14,000 pounds or **$40,000** for all other vehicles.
- The credit is limited to the lesser of 15% of the vehicle’s cost (30% for vehicles not gasoline or diesel powered) or the incremental cost of the vehicle, as compared to vehicles powered with a gasoline or diesel internal combustion engine.

Publication 5724-B

Credit for

Commercial Clean Vehicles

What is the credit for **commercial clean vehicles**?

If you are interested in claiming the commercial clean vehicle credit for purchasing a commercial clean vehicle or vehicles, beginning in 2023, a tax credit is available for each qualifying commercial clean vehicle purchased each year through Dec. 31, 2032.

Here is what you should know:

- The credit is available for businesses and certain tax-exempt entities; tax-exempt entities can receive the credit as an elective payment.
- There is no price limit on the cost of the commercial vehicle.
- No commercial clean vehicle credit will be allowed if a taxpayer already claimed the new clean vehicle credit for the same vehicle.
- The vehicle manufacturer must be a Qualified Manufacturer. A Qualified Manufacturers list is on IRS.gov.

What is the **amount** of the credit?

- The maximum credit amount is **$7,500** per vehicle with a gross weight rating of less than 14,000 pounds or **$40,000** for all other vehicles.
- The credit is limited to the lesser of 15% of the vehicle's cost (30% for vehicles not gasoline or diesel powered) or the incremental cost of the vehicle, as compared to vehicles powered with a gasoline or diesel internal combustion engine.

What **commercial vehicles** qualify for the credit?

To qualify, a vehicle must be subject to a depreciation allowance, with an exception for vehicles placed in service by a tax-exempt organization and not subject to a lease.

- Vehicle Type: Clean vehicles and mobile machinery
- Battery: Vehicles that have a battery capacity of at least 7 kilowatt hours or 15 kilowatt hours for vehicles with a gross vehicle weight rating of 14,000 pounds or more, or a fuel cell vehicle (hybrid vehicles).

WWW.IRS.GOV/CLEANVEHICLES

Publication 5724-B (Rev. 2-2023) Catalog Number 93695T Department of the Treasury **Internal Revenue Service** www.irs.gov

Alternative Fuel Vehicle Refueling Property Credit

English | Español

Family, dependents and students
Clean energy and vehicle credits
Clean vehicle credits
Home energy credits
Elective pay and transferability
Credit for Builders of Energy-Efficient Homes
Energy-Efficient Commercial Buildings Credit
Advanced Energy Project Credit
Alternative Fuel Vehicle Refueling Property Credit
Individuals credits and deductions
Business credits and deductions

If you install qualified vehicle refueling or electric vehicle recharging property in your home or business, you may be eligible for the Alternative Fuel Vehicle Refueling Property Tax Credit. The credit was extended and modified by the Inflation Reduction Act (IRA). The property must be installed in a qualifying location and the credit allowed is based on the placed-in-service date for the qualifying property.

On this page

Who qualifies

The credit is available to businesses and individuals that place qualified refueling property into service during the tax year. Eligible tax-exempt and governmental entities can also claim the credit through elective pay.

Individuals

If you install qualified vehicle refueling and recharging property at your home, including electric vehicle charging equipment, you may be eligible for a credit of up to $1,000 for each item of property.

For more information see Publication 6027 Individuals, Electric Vehicle Chargers, and the Alternative Fuel Vehicle Refueling Property Credit PDF.

Businesses

If your business installs qualified vehicle refueling and recharging property, including electric vehicle charging equipment, it may be eligible for a credit of up to $100,000 for each qualified item of property.

For more information see Publication 6028 Businesses and the Alternative Fuel Vehicle Refueling Property Credit PDF.

Tax-exempt entities

Eligible tax-exempt and governmental entities can claim the credit through a new mechanism called elective pay (also known as "direct pay") of up to $100,000 for each qualified item of property.

To claim the credit for your organization, you must notify the seller in writing that you intend to claim via elective pay. Otherwise, the seller can claim the credit if they clearly disclose to you the amount of the credit allowable. However, a seller that claims the credit may be willing to install the eligible property at a lower upfront cost to you by passing its tax savings to your organization.

For more information see Publication 6029 Tax-Exempt Entities and the Alternative Fuel Vehicle Refueling Property Credit PDF.

Publication 6029

IRS

Tax-Exempt Entities and the Alternative Fuel Vehicle Refueling Property Credit

This credit applies to eligible property placed in service beginning January 1, 2023, through December 31, 2032.

Tax-exempt and governmental entities, such as states, Tribes, religious organizations, and certain non-profits may install electric vehicle charging and clean fuel refueling property to meet energy transition goals, support clean vehicle fleets, or save money on refueling costs. This tax credit can offset some of the costs associated with the purchase and installation of qualified refueling and recharging equipment.

How can a tax-exempt entity utilize the § 30C Alternative Fuel Vehicle Refueling Property Credit?

Eligible tax-exempt and governmental entities can claim the § 30C Alternative Fuel Vehicle Refueling Property Credit for qualified property, including electric vehicle charging equipment, through a new mechanism called elective pay (also known as "direct pay").

How much is the credit for a single item of qualified refueling or recharging property?

- 6% of the cost including labor, up to a maximum of $100,000 per item of property; or
- 30% of the cost including labor if prevailing wage and apprenticeship (PWA) requirements are met, up to a maximum of $100,000 per item of property.
- The per item limit includes certain property associated with the single item(s) if it is directly attributable and traceable to the single item(s), such as a pedestal.

What refueling property qualifies?

To qualify, an entity must install property used to (1) recharge electric motor vehicles (including certain electrical energy storage technology) or (2) store or dispense clean-burning fuel (such as hydrogen fuel for fuel cell vehicles).[1] In addition, the property must:

- be placed in service during the tax year,
- have original use that began with the taxpayer,
- be depreciable property,[2] and
- be placed in service in an eligible census tract.

Who claims the credit – the seller or my organization?

Your organization or the seller installing the property could claim the credit, and the choice is up to you to determine which path is more beneficial. In order to claim the credit yourself, you must notify the seller in writing that you intend to claim the credit via elective pay. Otherwise, the seller can claim the credit if they clearly disclose to you the amount of the credit allowable. If the seller will claim the credit, they may be willing to install the eligible property at a lower upfront cost to you (by passing tax savings to your organization).

How do I find out if my tax-exempt entity's property is in an eligible census tract?

Your entity's refueling property must be placed in service in an eligible low-income community census tract or non-urban census tract. Approximately two-thirds of Americans are in eligible census tracts.

To determine if your entity's property is in an eligible census tract

In general:

- Determine your 11-digit census tract geographic identifier (GEOID) under the 2020 census tract boundaries by using the Census Bureau mapping tool.[3]
- See if your identified GEOID is included in the IRS-provided list here: Appendix B.

If your entity's refueling property is placed in service prior to January 1, 2025, in addition to the directions above, you may alternatively

- Determine your 11-digit census tract geographic identifier (GEOID) under the 2015 census tract boundaries by using the Census Bureau mapping tool.
- See if your identified GEOID (using the 2015 census tract boundaries) is included in the IRS-provided list here: Appendix A.[4]

The IRS will periodically publish lists of specific census tracts that meet the requirements, along with instructions on how taxpayers may determine their census tract identifying numbers, in the Federal Register or Internal Revenue Bulletin.

1 To see further details on what is considered a § 30C eligible clean burning fuel, visit irs.gov/credits-deductions/alternative-fuel-vehicle-refueling-property-credit.
2 For purposes of § 30C, property used by a tax-exempt or government entity is treated as of a character subject to an allowance for depreciation.
3 Eligible census tracts are described in Notice 2024-202 as modified by Notice 2024-64.
4 You may also use the Department of Energy's Argonne National Laboratory mapping tool to help determine if your entity's property is located within an eligible census tract (regardless of if your recharging or refueling property is placed in service before or after January 1, 2025). However, it should be viewed as a tool and cannot be relied upon as tax guidance. See the tool here: anl.gov/esia/refueling-infrastructure-tax-credit.

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Home / Credits & Deductions / Prevailing wage and apprenticeship requirements

Prevailing wage and apprenticeship requirements

English | Español

Family, dependents and students
Clean energy and vehicle credits
Individuals credits and deductions
Business credits and deductions

To qualify for increased credit or deduction amounts of certain clean energy tax incentives, taxpayers generally need to:

- Pay laborers and mechanics employed in construction, alteration or repair no less than applicable prevailing wage rates
- Employ apprentices from registered apprenticeship programs for a certain number of hours

By meeting prevailing wage and apprenticeship requirements under the Inflation Reduction Act of 2022, taxpayers can increase the base amounts of these incentives by 5 times.

There are limited exceptions where taxpayers may be eligible to claim the 5-times increase without meeting prevailing wage and apprenticeship requirements:

- Certain small facilities that produce clean energy under 1 megawatt
- Facilities that began construction before Jan. 29, 2023

Taxpayers must meet specific recordkeeping requirements to claim these increased amounts.

The U.S. Department of Labor determines the applicable prevailing wage requirements for each class of laborers and mechanics in a prescribed geographic area for a particular type of construction. For more information about prevailing wage and apprenticeship requirements, please visit the Department of Labor's website.

Eligible credits and deductions

Prevailing wage and apprenticeship requirements apply to:

- Alternative Fuel Refueling Property Credit
- Renewable Electricity Production Credit
- Clean Electricity Production Credit
- Credit for Carbon Oxide Sequestration
- Credit for Production of Clean Hydrogen
- Clean Fuel Production Credit
- Energy Credit
- Clean Electricity Investment Credit
- Qualifying Advanced Energy Project Credit
- Energy efficient commercial buildings deduction

Only the prevailing wage requirement applies to:

- New Energy Efficient Home Credit
- Zero-Emission Nuclear Power Production Credit

Publication 5983

FACT SHEET

IRS

Inflation Reduction Act Prevailing Wage and Apprenticeship Requirements

What are the Prevailing Wage and Registered Apprenticeship (PWA) requirements?

The Inflation Reduction Act's Prevailing Wage and Apprenticeship (PWA) provisions increase the amount of important tax credits for clean energy projects fivefold.

To be eligible for the increased tax credit, taxpayers (including project developers) claiming the increased tax credit are generally required to:

Pay prevailing wages

In general, laborers and mechanics (such as electricians or carpenters) employed in the construction, alteration, or repair of the facility, property, project, or equipment must be paid wages at rates at or above the prevailing wage rates. Prevailing wage rates are set by the Department of Labor for specific classifications of laborer or mechanic where the work is being performed.

Employ apprentices

During construction, employers generally must meet requirements to employ sufficient apprentices from a registered apprenticeship program.

Ensure all contractors and sub-contractors meet all requirements

The requirements to pay at least prevailing wages and meet apprenticeship requirements generally apply to all construction, alteration or repair work including work by contractors and subcontractors.

Keep adequate books and records

Taxpayers must keep books and records to document compliance with the PWA requirements. The IRS will request to review these books and records, along with other information, in an audit.

If you suspect that PWA increased tax credits are being claimed for a project that isn't meeting these requirements, you can report the suspected tax violation to the IRS using Form 3949-A, Information Referral.

To complete the form, visit: Form 3949-A or type irs.gov/3949a in your web browser. Indicate "PWA" in the "Comments" field, and provide as much specific information as possible, including the address of the job site at which the construction took place. The IRS takes referrals of alleged tax law violations seriously and considers all relevant information on any applicable audit.

For more information, visit irs.gov/pwafaqs.

The IRS does not provide tax advice for specific situations. You may want to consult a tax advisor.

The Taxpayer First Act protects employees who report or assist in an investigation regarding underpayment of taxes or any conduct which the employee reasonably believes constitutes a violation of internal revenue laws or any provision of Federal law relating to tax fraud.

Publication 5983 (6-2024) Catalog Number 95051F Department of the Treasury **Internal Revenue Service** www.irs.gov

What is Elective Pay?

Elective pay allows applicable entities, including tax-exempt and governmental entities that would otherwise be unable to claim certain credits because they do not owe federal income tax, to benefit from some clean energy tax credits. By choosing this election, the amount of the credit is treated as a payment of tax and any overpayment will result in a refund.

Publication 5817-G for a list of credits that are eligible for elective pay.

Clean Energy Tax Incentives: Elective Pay Eligible Tax Credits

The Inflation Reduction Act of 2022 ("IRA") makes several clean energy tax credits available to businesses; tax-exempt organizations; state, local, and tribal governments; other entities; and individuals. The IRA also enables entities to take advantage of certain clean energy tax credits through its elective pay provision (also colloquially known as direct pay). Elective pay allows several types of entities, such as tax-exempts and governments, to treat the amount of certain credits as a payment against tax on their tax returns and as a result receive direct payments for certain clean energy tax credits.

Category	Tax Provision	Description
Energy Generation & Carbon Capture	**Production Tax Credit for Electricity from Renewables** (§ 45, pre-2025)	**For production of electricity from eligible renewable sources**, including wind, biomass, geothermal, solar, small irrigation, landfill and trash, hydropower, marine and hydrokinetic energy. **Credit Amount (for 2022):** 0.55 cents/kilowatt (kW); (1/2 rate for electricity produced from open loop biomass, landfill gas, and trash); 2.75 cents/kW if Prevailing Wage and Apprenticeship (PWA) rules are met [1,2,3,7]
Energy Generation & Carbon Capture	**Clean Electricity Production Tax Credit** (§ 45Y, 2025 onwards)	**Technology-neutral tax credit for production of clean electricity.** Replaces § 45 for facilities that begin construction and are placed in service after 2024. **Credit Amount:** Starts in 2025, consistent with credit amounts under section 45 [1,2,3,6,7]
Energy Generation & Carbon Capture	**Investment Tax Credit for Energy Property** (§ 48, pre-2025)	**For investment in renewable energy projects** including fuel cell, solar, geothermal, small wind, energy storage, biogas, microgrid controllers, and combined heat and power properties **Credit Amount:** 6% of qualified investment (basis); 30% if PWA requirements met [1,4,5,6,8]
Energy Generation & Carbon Capture	**Clean Electricity Investment Tax Credit** (§ 48E, 2025 onwards)	**Technology-neutral tax credit for investment in facilities that generate clean electricity** and qualified energy storage technologies. Replaces § 48 for facilities that begin construction and are placed in service after 2024 **Credit Amount:** 6% of qualified investment (basis); 30% if PWA requirements met [1,4,5,6]
Energy Generation & Carbon Capture	**Low-Income Communities Bonus Credit** (§ 48(e), 48E(h)) Application required	**Additional investment tax credit for small-scale solar and wind (§ 48(e)) or clean electricity (§48E(h)) facilities** (<5MW net output) on Indian land, federally subsidized housing, in low-income communities, and benefit low-income households. Allocated through an application process. **Credit Amount:** 10 or 20 percentage point increase on base investment tax credit [7]
Energy Generation & Carbon Capture	**Credit for Carbon Oxide Sequestration** (§ 45Q)	**Credit for carbon dioxide sequestration** coupled with permitted end uses in the United States. **Credit Amount:** $12-36 per metric ton of qualified carbon oxide captured and sequestered, used as a tertiary injectant, or used, depending on the specified end use; $60-$180 per metric ton if PWA requirements met.[1,7]
Energy Generation & Carbon Capture	**Zero-Emission Nuclear Power Production Credit** (§ 45U)	**For electricity from nuclear power facilities.** Facilities in operation prior to August 16, 2022. **Credit Amount (for 2023):** 0.3 cents/kWh (reduced rate for larger facilities); 1.5 cent/kWh if PW req's met [1,7]
Manufacturing	**Advanced Energy Project Credit** (§ 48C) Application required	**For investments in advanced energy projects.** A total of $10 billion will be allocated, not less than $4 billion of which will be allocated to projects in certain energy communities. **Credit Amount:** 6% of taxpayer's qualified investment; 30% if PWA requirements are met [1]
Manufacturing	**Advanced Manufacturing Production Credit** (§ 45X)	**Production tax credit for domestic clean energy manufacturing** of components including solar and wind energy, inverters, battery components, and critical materials. **Credit Amount:** Varies by component
Vehicles	**Credit for Qualified Commercial Clean Vehicles** (§ 45W)	**For purchasers of commercial clean vehicles.** Qualifying vehicles include passenger vehicles, buses, ambulances, and certain other vehicles for use on public streets, roads, and highways. **Credit Amount:** Up to $40,000 (max $7,500 for vehicles <14,000 lbs) [9]
Vehicles	**Alternative Fuel Vehicle Refueling Property Credit** (§ 30C)	**For alternative fuel vehicle refueling and charging property**, located in low-income and non-urban areas. Qualified fuels include electricity, ethanol, natural gas, hydrogen, and biodiesel. **Credit Amount:** 6% of basis for businesses and can increase to 30% if PWA is met.
Fuels	**Clean Hydrogen Production Tax Credit** (§ 45V)	**For producing clean hydrogen** at a qualified, U.S.-based clean hydrogen production facility. **Credit Amount:** $0.60/kg multiplied by the applicable percentage (20% to 100%, depending on lifecycle greenhouse gas emissions), amount increases if PWA is met [1,7]
Fuels	**Clean Fuel Production Credit** (§ 45Z, 2025 onwards)	**Technology neutral tax credit for domestic production of clean transportation fuels**, including sustainable aviation fuels, beginning in 2025* **Credit Amount:** $0.20/gallon ($0.35/gal for aviation fuel) multiplied by CO_2 "emissions factor"; $1.00/gallon ($1.75/gal for aviation fuel) multiplied by CO_2 "emissions factor" if PWA is met [1,7]

Please see the notes on the next page or see IRS.gov/cleanenergy for more information.

Notes:

The information in this document may be subject to change as guidance is issued or finalized. For all IRA clean energy tax credits, please see irs.gov/cleanenergy for further details and eligibility requirements.

[1] Credit is increased by 5 times for projects that pay prevailing wages and use registered apprentices. Apprenticeship requirements do not apply for §§ 45L and 45U. Prevailing wage and apprenticeship requirements do not apply to certain projects, including certain projects of less than 1 megawatt or those that began construction prior to January 29, 2023.

[2] Credit is increased by 10% if the project meets certain domestic content requirements for steel or iron, and manufac tured products.

[3] Credit is increased by 10% if located in an energy community.

[4] Credit is increased by up to 10 percentage points for projects meeting certain domestic content requirements for steel, iron, and manufactured products.

[5] Credit is increased by up to 10 percentage points if located in an energy community.

[6] Section 168(e) provides favorable depreciation treatment for facilities or property qualifying for this tax credit. These facilities or property will be treated as a 5-year property for purposes of cost recovery, leaving them with lower taxable income in the earlier years of a clean energy investment.

[7] Credit rate is adjusted annually for inflation.

[8] See section 48 for more detail and applicable exceptions to the credit rate.

[9] The entities eligible for elective pay of the commercial clean vehicle credit is a subset of the entities eligible for elective pay of other credits. In addition, starting January 1, 2024, the amount of a new clean vehicle or previously owned clean vehicle tax credit (but not a commercial clean vehicle credit) can be transferred to a dealer for an equivalent reduction in the eligible vehicle's sales price.

Publication 5817-G (6-2023) Catalog Number 94141A Department of the Treasury **Internal Revenue Service** www.irs.gov

Publication 5817-D

IRS

Tax-Exempt Organizations

What is elective pay?

Elective pay allows applicable entities, including tax-exempt and governmental entities that would otherwise be unable to claim certain credits because they do not owe federal income tax, to benefit from some clean energy tax credits. By choosing this election, the amount of the credit is treated as a payment of tax and any overpayment will result in a refund.

For example, because of the Inflation Reduction Act, a local government that makes a clean energy investment that qualifies for the investment tax credit can file an annual tax return with the IRS to claim elective pay for the full value of the investment tax credit, if it meets all of the requirements including a pre-filing registration requirement. As the local government would not owe other federal income tax, the IRS would then make a refund payment in the amount of the credit to the local government.

Are tax-exempt organizations eligible?

Any organization described in sections 501 through 530 of the Code that meets the requirements to be recognized as exempt from tax under those sections is an applicable entity eligible to make an elective payment election. This would include all organizations described in § 501(c), such as public charities, private foundations, social welfare organizations, labor organizations, business leagues and others. It also includes homeowners organizations under § 528.

How do I make the elective payment election?

Eligible entities would claim and receive an elective payment by making an **elective payment election** on Form 990-T along with any form required to claim the relevant tax credit.

However, there are steps leading up to this, such as a required pre-filing registration process. An EIN or TIN is required to complete the pre-filing registration process.

Electronic return filing is required.

What will I need to do to receive a payment?

1. **Identify and pursue the qualifying project or activity:** You will need to know what applicable credit you intend to earn and use elective pay for.
2. **Determine your tax year, if not already known:** Your tax year will determine the due date for your tax return.
3. **Placed in service:** The applicable credit property must be placed in service BEFORE a registration number will be issued.
4. **Complete pre-filing registration with the IRS:** This will include providing information about yourself, which applicable credits you intend to earn, and each eligible project/property that will contribute to the applicable credit and other information required. Upon completing this process, the IRS will provide you with a registration number for each applicable credit property. You will need to provide that registration number on your tax return as part of making the elective pay election.
   - Complete pre-filing registration in sufficient time to have a valid registration number at the time you file your tax return.
5. **Satisfy all eligibility requirements for the tax credit and any applicable bonus credits, if applicable, for a given tax year:**
   - You will need the documentation necessary to properly substantiate any underlying tax credit, including if bonus amounts increased the credit.
6. **File Form 990-T by the due date (or extended due date) and make a valid elective payment election.**

What tax credits can elective pay be used for?

See Publication 5817g for a list of tax credits that can be used for elective pay.

Resources

- **Elective Pay and Transferability**
- **irs.gov/cleanenergy**
- **Publication 5884,** IRA and CHIPS Pre-Filing Registration Tool User Guide
- **Publication 5902,** Clean Energy Authorization Permission Management User Guide

Publication 5817-D (Rev. 4-2024) Catalog Number 94132P Department of the Treasury **Internal Revenue Service** www.irs.gov

Office Hours for Elective Pay of Clean Energy Credits

Date	Time	Register
October 2, 2024	1-2:30 p.m. Eastern time	Register
October 16, 2024	1-2:30 p.m. Eastern time	Register
October 30, 2024	1-2:30 p.m. Eastern time	Register
November 13, 2024	1-2:30 p.m. Eastern time	Register

No future office hours scheduled at this point, sign up for newsletter to be informed of any upcoming office hours!

Additional Resources

- Video: IRA and CHIPS Act Pre-filing Registration Tool Overview
- Video: How to complete Form 990-T for elective payment election
- Inflation Reduction Act (IRA) and CHIPS Act of 2022 (CHIPS) Pre-Filing Registration Tool -- User Guide and Instructions, Publication 5884

Clean Energy Tax Incentives for Individuals

The Inflation Reduction Act of 2022 ("IRA") makes several clean energy tax credits available to individuals.
IRS.gov/CleanEnergy

	Tax Provision	Description
Vehicles - IRS.gov/CleanVehiclesv	**Credit for New Clean Vehicles** (§ 30D)	**For buyers of new clean vehicles that meet certain requirements, as well as buyer income and manufacturer suggested retail price limits. Learn more and see eligible vehicles at Fuel Economy.gov** **Credit Amount:** Up to $7,500 for qualifying vehicles, which can be applied to the purchase price of the vehicle starting January 1, 2024. [1]
	Credit for Previously Owned Clean Vehicles (§25E)	**For buyers of certain previously-owned clean vehicles** sold in the first transfer after 12/31/22 for $25,000 or less. Subject to buyer income limits. Vehicles must be at least 2 model years old, be purchased from a registered dealer, and buyers must not have been allowed a 25E credit in the 3-year period prior to the sale of the qualifying vehicle. Learn more and see eligible vehicles at Fuel Economy.gov **Credit Amount:** The lesser of $4,000 or 30% of sale price, which can be applied to the purchase price of the vehicle starting January 1, 2024.[1]
	Alternative Fuel Vehicle Refueling Property Credit (§ 30C) *Includes Electric Vehicle Charging Equipment*	**For alternative fuel vehicle refueling and charging property, including home electric vehicle charging stations, located in low-income and non-urban areas.** Qualified fuels include electricity, ethanol, natural gas, hydrogen, and biodiesel. **Credit Amount:** 30% of the cost of hardware and installation up to $1,000 for individuals; for businesses, 6% of basis and can increase to 30% if PWA is met.[2]
Home Energy - IRS.gov/HomeEnergy	**Energy Efficient Home Improvement Credit** (§ 25C) *See page 2 for more details.*	**Provides a tax credit for energy-efficiency improvements of residential homes** **Credit Amount:** 30% of cost, with limits for each type of improvement and total per year. To qualify, home improvements must meet energy efficiency standards. They must be new systems and materials. Eligible expenses include efficient heating and cooling equipment, windows, doors, heat pumps, insulation and air sealing materials. See page 2 for more information and annual limits.
	Residential Clean Energy Installation Credit (§25D)	**Provides a tax credit for the purchase of residential clean energy equipment, including battery storage with capacity of at least 3 kWh.** These expenses may qualify if they meet certain energy efficiency requirements: • Solar, wind, and geothermal power generation • Solar water heaters • Fuel cells • Battery storage **Credit Amount:** 30% of cost of equipment through 2032; 26% in 2033; 22% in 2034.

Notes:

The information in this document may be subject to change as guidance is issued or finalized. For all IRA clean energy tax credits, please see IRS.gov/CleanEnergy for further details and eligibility requirements.

[1] Starting January 1, 2024, the amount of a new clean vehicle or previously owned clean vehicle tax credit can be transferred to a dealer for an equivalent reduction in the eligible vehicle's sales price, deemed down payment, or cash.

[2] Credit is multiplied by 5 (from 6% to 30%) for projects that meet prevailing wages and apprenticeship requirements or other requirements.

Clean Energy Tax Incentives for Businesses

The Inflation Reduction Act of 2022 ("IRA") makes several clean energy tax credits available to businesses.
IRS.gov/CleanEnergy

	Tax Provision	Description
Energy Generation & Carbon Capture	**Production Tax Credit for Electricity from Renewables** (§ 45, pre-2025)	**For electricity sold to an unrelated person and produced from the following renewable sources:** wind, biomass, geothermal, solar, landfill and trash, hydropower, and marine and hydrokinetic energy. **Credit Amount (for 2023):** 0.55 or 0.03 cents (depending on source) per kilowatt hour (kW) for facilities placed in service (PIS) after 12/31/21; 2.8 or 1.4 cents (depending on source) per kW for facilities PIS before 1/1/22; 0.55 cents per kW for marine and hydrokinetic for facilities PIS after 12/31/22. [1,2,3,7]
	Clean Electricity Production Tax Credit (§ 45Y, 2025 onwards)	**Technology-neutral tax credit for production of clean electricity.** Replaces § 45 for facilities that are placed in service after December 31, 2024. **Credit Amount:** 0.3 cents/kWh; 1.5 cent/kWh if PWA requirements are met. [1,2,3,6,7]
	Investment Tax Credit for Energy Property (§ 48, pre-2025)	**For investment in renewable energy projects** including fuel cell, solar, geothermal, small wind, energy storage, biogas, microgrid controllers, and combined heat and power properties. **Credit Amount:** Generally, 6% of qualified investment (basis); 30% if PWA requirements are met. [1,4,5,6,8]
	Clean Electricity Investment Tax Credit (§ 48E, 2025 *onwards*)	**Technology-neutral tax credit for investment in facilities that generate clean electricity** and qualified energy storage technologies. Replaces § 48 for facilities that begin construction and are placed in service after 2024 **Credit Amount:** 6% of qualified investment (basis); 30% if PWA requirements met [1,4,5,6]
	Low-Income Communities Bonus Credit (§ 48(e), 48E(h)) Application required	**Additional investment tax credit for small-scale solar and wind (§ 48(e)) or clean electricity (§48E(h)) facilities** (<5MW net output) on Indian land, federally subsidized housing, in low-income communities, and benefit low-income households. Allocated through an application process. **Credit Amount:** 10 or 20 percentage point increase on base investment tax credit
	Credit for Carbon Oxide Sequestration (§ 45Q)	**Credit for carbon oxide sequestration** coupled with permitted end uses in the United States. **Credit Amount:** $12-36 per metric ton of qualified carbon oxide captured and sequestered, used as a tertiary injectant, or utilized, depending on the specified end-use; $60-$180 per metric ton if PWA requirements met.[1,7]
	Zero-Emission Nuclear Power Production Credit (§ 45U)	**For electricity from nuclear power facilities.** Facilities in operation prior to August 16, 2022. **Credit Amount (for 2023):** 0.3 cents/kWh (reduced rate for larger facilities); 1.5 cent/kWh if PW requirements met [1,7]
Clean Vehicles	**Credit for Qualified Commercial Clean Vehicles** (§ 45W)	**For purchasers of commercial clean vehicles.** Qualifying vehicles may include passenger vehicles, buses, ambulances, and certain other vehicles, as well as certain mobile machinery. **Credit Amount:** Up to $40,000 (max $7,500 for vehicles <14,000 lbs.)
	Tax Provision	**Description**
Manufacturing	**Advanced Energy Project Credit** (§ 48C) Application required	**For investments in advanced energy projects.** A total of $10 billion will be allocated, not less than $4 billion of which will be allocated to projects in certain energy communities. **Credit Amount:** 6% of taxpayer's qualified investment; 30% if PWA requirements are met. [1]
	Advanced Manufacturing Production Credit (§ 45X)	**Production tax credit for domestic clean energy manufacturing** of components including solar and wind energy, inverters, battery components, and critical minerals. **Credit Amount:** Varies by type of eligible component
Commercial Energy	**New Energy Efficient Homes Credit** (§ 45L)	**Provides a tax credit for construction of new energy efficient homes Credit Amount:** $2,500 for new homes meeting Energy Star standards; $5,000 for certified zeroenergy ready homes. For multifamily, base amounts are $500 per unit for Energy Star and $1000 per unit for zero-energy
	Energy Efficient Commercial Buildings Deduction (§ 179D)	**Provides a tax deduction for the cost of energy efficiency improvements to commercial buildings,** installed as part of the building envelope; interior lighting systems; or the heating, cooling, ventilation, and hot water systems. **Maximum Deduction Amount:** $0.50-$1 per square foot, depending on increase in efficiency, with deduction over three or four-year periods capped at $1 per square foot. Inflation adjusted. A new alternative deduction for energy efficient building retrofit property is also available.

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Questions

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Thank you for your time.

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