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Clean Electricity Investment Tax Credit – 26 U.S. Code § 48E

TAX CREDIT

IRA Statutory Location:

13702

Tax Code Location:

26 U.S. Code § 48E

New or Modified Provision:

New

Eligible Recipients:

Zero GHG electricity generators;
Energy Storage

Tribal Eligibility:

Yes

Bureau/Office

Funded by:

U.S. Department of Treasury



Description

Provides a technology-neutral tax credit for investment in facilities that generate clean electricity. Replaces the investment tax credit for facilities generating electricity from renewable sources (extended in Section 13102 through 2024).

Direct Pay Eligibility:

Key Details

Period of Availability

Facilities placed in service after 12/31/24. Phase-out starts the later of (a) 2032 or (b) when U.S. greenhouse gas emissions from

Yes, for tax-exempt organizations; states; political subdivisions; the Tennessee Valley Authority; Indian Tribal governments; Alaska Native Corporations; and rural electricity co-ops.

Transferability:

Yes

Stackability:

Credit reduced for tax-exempt bonds with similar rules as section 45(b) (3). Cannot claim both the §48E ITC and the § 45Y PTC for the same facility.

Energy Community Bonus:

Yes

Relevant Announcements

<https://www.irs.gov/pub/irs-drop/n-22-49.pdf> 

Related Resources

Additional information is available on the [Resources](#) page.

electricity are 25% of 2022 emissions or lower.

Tax Mechanism:

Investment tax credit

Base Credit Amount:

6% of qualified investment (basis)

Bonus Credit Amount:

Credit is increased by 5 times for facilities meeting prevailing wage and registered apprenticeship requirements. Initial guidance on the labor provisions is available [here](#). Credit is increased by up to 10 percentage points for facilities meeting certain domestic content requirements for steel, iron, and manufactured products. Credit is increased by up to 10 percentage points if located in an energy community.

Eligibility:

<https://energycommunities.gov/energy-community-tax-credit-bonus/>

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