



**I. IRS Tax Updates
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I. IRS Tax Updates



Communications & Liaison
STAKEHOLDER LIAISON

- I. Clean Vehicle Tax Credit
- II. Home and Residential Credits
- III. Credits for Builders
- IV. Energy Efficient Commercial Deduction
- V. Clean Energy Provisions



Clean Vehicle Tax Credit



Communications & Liaison
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Background

H.R. 5376, **Inflation Reduction Act (IRA) of 2022**

- Changed and renamed existing tax credit (30D)
 - Plug-in electric drive motor vehicle
 - Renamed to “clean vehicle credit”– added fuel cell vehicles with electric drive motor provided in **§ 30D**
- Added a new credit (25E)
 - Previously-owned clean vehicles under **§ 25E**
- Added new credit (45W)
 - Qualified commercial clean vehicles under **§ 45W**



IRC 30D Credit for New Clean Vehicles Purchased in 2023 or After

Who Qualifies:

- A Taxpayer may qualify for a credit up to \$7,500 if they buy a new qualified electric vehicle.
- The Inflation Reduction Act of 2022 changed the rules for this credit for vehicles purchased from 2023 to 2032. This is now referred to as the ***New Clean Vehicle Credit***



IRC 30D Credit for New Clean Vehicles Purchased in 2023 or After (Cont.)

To qualify, the taxpayer must:

- Buy it for their own use, not for resale
- Use it primarily in the U.S.



IRC 30D Credit for New Clean Vehicles Purchased in 2023 or After (Cont.)

Modified Adjusted Gross Income Limitations:

Modified adjusted gross income (MAGI) may not exceed:

- \$300,000 for married couples filing jointly
- \$225,000 for heads of households
- \$150,000 for all other filers

**Taxpayer can use their modified AGI from the year they take delivery of the vehicle or the year before, whichever is less. If their income is below the threshold for one of the two years, they can claim the credit.*



IRC 30D Credit for New Clean Vehicles Purchased in 2023 or After (Cont.)

Qualified Vehicles

To qualify, a vehicle must:

- Have a battery capacity of at least 7 kilowatt hours
- Have a gross vehicle weight rating of less than 14,000 pounds
- Be made by a qualified manufacturer.
- Undergo final assembly in North America

Fuel Cell Vehicles (FCVs) do not need to be made by a qualified manufacturer to be eligible. But qualified manufacturers of EVs must also report for their FCVs. See [Rev. Proc. 2022-42](#) for more detailed guidance.



IRC 30D Credit for New Clean Vehicles Purchased in 2023 or After (Cont.)

A list of eligible clean vehicles may be found at federal government's website:

<https://www.fueleconomy.gov/feg/tax2023.shtml>



IRC 30D Credit for New Clean Vehicles Purchased in 2023 or After (Cont.)

The sale qualifies only if:

- The taxpayer buys the vehicle new
- The seller reports required information to the taxpayer at the time of sale and to the IRS.
- Sellers are required to report the buyer's name and taxpayer identification number to the IRS for you to be eligible to claim the credit.



IRC 30D Credit for New Clean Vehicles Purchased in 2023 or After (Cont.)

In addition, the vehicle's manufacturer suggested retail price (MSRP) can't exceed:

- \$80,000 for vans, sport utility vehicles and pickup trucks
- \$55,000 for other vehicles

MSRP is the retail price of the automobile suggested by the manufacturer, including options, accessories and trim installed by manufacturer. Excludes destination fees. It isn't necessarily the contract price



IRC 30D Credit for New Clean Vehicles Purchased in 2023 or After (Cont.)

- To confirm whether a vehicle is a van, sport utility vehicle, pickup truck or other, see **Plug-in Electric and Fuel Cell Electric Vehicles Purchased in 2023 or After**
- You can find the vehicle's weight, battery capacity, final assembly location (listed as "final assembly point") and VIN on the vehicle's window sticker.
- To check online if a specific vehicle meets the requirements for final assembly location, go to the Department of Energy's page on **Electric Vehicles with Final Assembly in North America** and use the VIN Decoder tool under "Specific Assembly Location Based on VIN."



Proposed IRC 30D Regulations:

The amount of the tax credit for the purchase of a new clean vehicle is equal to the total amount determined based on two factors:

1. The critical minerals used in the battery from which the EV or FEV draws electricity, a factor that may account for a maximum credit of \$3,750
2. The battery components, a manufacture/assembly factor that may account for a maximum credit of \$3,750.



IRC 30D Credit for New Clean Vehicles Purchased in 2023 or After (Cont.)

Seller **must** provide specific information to the taxpayer purchasing the clean vehicle:

- Name and taxpayer identification number of the taxpayer
- Vehicle identification number of the new clean vehicle
- Battery capacity of the new clean vehicle
- Verification that the taxpayer is the original user of the new clean vehicle
- Name and taxpayer identification number of the seller
- The date of the sale and the sales price of the vehicle
- Maximum credit allowable for the new clean vehicle being sold
- For sales after December 31, 2023, the amount of any transfer credit applied to purchase
- A declaration under penalties of perjury from the seller



IRC 30D Credit for New Clean Vehicles Purchased in 2023 or After (Cont.)

How to Claim the Credit:

- File Form 8936 (check back soon for a revised Form 8936) that will be completed to claim the new clean vehicle credit for vehicles placed in service in 2023 and later)
- The taxpayer will need to provide the vehicle's VIN
- Along with make, model, model year and placed in service date



IRC 45W Credit for Commercial Clean Vehicles

Businesses and tax-exempt organizations that buy a qualified commercial clean vehicle may qualify for a clean vehicle tax credit of up to \$40,000 under Internal Revenue Code (IRC) § 45W

The credit equals the lesser of:

- 15% of the tax basis in the vehicle (30% if the vehicle is not powered by gas or diesel) or
- The incremental cost of the vehicle

The maximum credit is \$7,500 for qualified vehicles with gross vehicle weight ratings (GVWRs) of under 14,000 pounds and \$40,000 for all other vehicles.



IRC 45W Credit for Commercial Clean Vehicles (Cont.)

Who Qualifies:

- Businesses and tax-exempt organizations qualify for the credit.
- There is no limit on the number of credits the business can claim.
- For businesses, the credits are general business credits and non-refundable, which means the business cannot get back more on the credit than you owed in taxes. However, this credit may be carried over to a subsequent year.



IRC 45W Credit for Commercial Clean Vehicles (Cont.)

To qualify, a vehicle must be subject to a depreciation allowance, with an exception for purchased vehicles placed in service by a tax-exempt organization.

The vehicle must also:

- Be made by a qualified manufacturer as defined in IRC 30D(d)(1)(C). Qualified manufacturers list is at [IRS.gov](https://www.irs.gov)
- Be for use in the business and not for resale
- Be for use primarily in the United States
- Not have been allowed a credit under IRC sections 30D or 45W



IRC 45W Credit for Commercial Clean Vehicles (Cont.)

In addition, the vehicle must either be:

1. Treated as a motor vehicle for purposes of Title II of the Clean Air Act and manufactured primarily for use on public roads (not including a vehicle operated exclusively on a rail or rails);
2. Mobile machinery as defined in IRC 4053(8) (including vehicles that are not designed to perform a function of transporting a load over a public highway)



IRC 45W Credit for Commercial Clean Vehicles (Cont.)

The vehicle or machinery must also either be:

1. A plug-in electric vehicle that draws significant propulsion from an electric motor with a battery capacity of at least:
 - 7 kilowatt hours if the gross vehicle weight rating (GVWR) is under 14,000 pounds
 - 15 kilowatt hours if the GVWR is 14,000 pounds or more; or
2. A fuel cell motor vehicle that satisfies the requirements of IRC 30B(b)(3)(A) and (B)



IRC 45W Credit for Commercial Clean Vehicles (Cont.)

Claiming the Credit:

- IRS is finalizing a form for you to claim the credit. Please check back to www.irs.gov/cleanvehicles for updates.
- You will need to provide your vehicle's VIN along with the amount of the credit.
- The depreciable basis of the vehicle is reduced by the amount of the commercial clean vehicle credit you receive.



IRC 45W Credit for Commercial Clean Vehicles (Cont.)

How to Claim the Credit:

- File Form 8936 (check back soon for a revised Form 8936) that should be completed to claim the commercial clean vehicle credit for vehicles placed in service in 2023 and later)
- The vehicle's VIN will be reported on Form 8936
- Along with make, model, model year and placed in service date
- The depreciable basis of the vehicle is reduced by the amount of the commercial clean vehicle credit received



Clean Vehicle Resources

- [Frequently Asked Questions About the New, Previously-Owned and Qualified Commercial Clean Vehicles Credit Publication](#)
- [Publication 5724, Credit for Previously Owned Clean Vehicles](#)
- [Publication 5724-A, Credit for Clean Vehicles](#)
- [Publication 5724-B, Credit for Commercial Clean Vehicles](#)
- [Publication 5724-D, Credit for Previously Owned Clean Vehicles](#)
- [Publication 5724-E, Credit for Clean Vehicles, Poster](#)
- [Publication 5724-F, Credit for Commercial Clean Vehicles](#)

WWW.IRS.GOV/CLEANVEHICLES



Home and Residential Energy Credits





Inflation Reduction Act: Clean Energy Tax Credits

- Energy Efficient Home Improvements § 25C
- Residential Clean Energy § 25D

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General Overview Inflation Reduction Act

The Inflation Reduction Act of 2022 (IRA) amended the credits for:

- Energy Efficient Home Improvement Credit
- Residential Clean Energy Credit

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Energy Efficient Home Improvement Credit (§ 25C)

- Homeowners
- Renters
- Second home used as residence

Not available for homes that you don't use as a residence

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Energy Efficient Home Improvement Credit (continued)

30% credit, with a \$1,200 annual credit limit for

1. qualified energy efficiency improvements – known as building envelope components, which are described later – installed during the year,
2. residential energy property expenditures made during the year, and
3. home energy audits conducted during the year (maximum of \$150)

30% credit, with a \$2,000 annual credit limit for

1. heat pumps and heat pump water heaters, and
2. biomass stoves and boilers.

The credit is allowed for qualifying property placed in service on or after January 1, 2023, and before January 1, 2033.

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Energy Efficient Home Improvement Credit Eligible improvements & expenditures

Building Envelope components:

- Exterior doors
- Exterior windows and skylights
- Insulation and air sealing materials

Qualified Energy Property:

- Central air conditioners
- Natural gas, propane, or oil, water heaters, furnaces & hot water boilers
- Panel boards & feeders

Home Energy Audits

Qualified Energy Property

- Heat pumps
 - Electric or natural gas heat pumps
 - Electric or natural gas heat pump water heaters
- **Biomass stoves and boilers**

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Energy Efficiency Home Improvement Credit limits

\$1200 maximum credit

- Building envelope components - exterior window, doors, skylights, & insulation/sealing materials
- Residential Energy Property –Central air, water heaters, furnaces and boilers, panelboards,
- Home energy Audit

\$2000 maximum credit

- Heat pumps & Heat pump water heaters,
- Biomass stoves and Biomass boilers

= potential credit \$3200

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Date



Energy efficiency requirements – Building envelope components

Windows, Doors, Skylights and Insulation

Windows and Skylights	ENERGY STAR Most Efficient 2023	\$600 across all windows
Doors	Energy Star	\$250 per doors, \$500 across all doors
Insulation	Most recent international conservation code as of two years prior	No property-specific limit

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Energy efficiency requirements – Qualified Energy Property

Heating Ventilation Air Conditioning Systems (HVAC) and Water Heaters

Natural gas, propane or oil water heaters	CEE highest tier below Advanced Tier	\$600 per water heater
Natural gas, propane or oil furnaces or hot water boilers	Oil furnaces and hot water boilers can also qualify if they: During 2023 – 2026 Energy Star and are rated by the manufacturer for use with at least 20% biofuel blends	\$600 per furnace

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Energy efficiency requirements - Qualified Energy Property, cont'd

Panels and HVAC

Electric panel (panelboard, sub-panelboard, branch circuit, or feeders)	Installed according to the National Electric Code and have a load capacity of 200 amps or greater	\$600 per property
Central air conditioners	CEE highest tier below Advanced Tier	\$600 per air conditioner (A/C) unit

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Energy efficiency requirements Home Energy Audit

Home energy audit

Home energy audits	Certified home energy auditor (IRS guidance)	\$150 total
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- Inspection
- Located in the U.S.
- Written report
- Certified auditor

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Energy efficiency requirements Qualified Energy Property

Heat pumps and Biomass

Heat pump water heaters	CEE highest tier below Advanced Tier	\$2000 limit total across heat pump water heaters, heat pumps, and biomass stoves. *\$1200 annual limit does not apply
Heat pumps	CEE highest tier below Advanced Tier	
Biomass stoves or biomass hot water boilers	Thermal efficiency rating of at least 75%	

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Energy Efficient Home Improvement: recap

- Exterior doors – Energy Star
- Windows and skylights – Energy Star
- Insulation materials,

Heat pumps, water heaters, central air conditioners, furnaces or hot water boilers: Consortium for Energy Efficiency (CEE)

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Residential Clean Energy Credit (§ 25D)

The Residential Clean Energy Credit offers more households access to and freedom to choose renewable energy that can lower monthly energy bills and cut air pollution.

- Renters are eligible for certain improvements
- The Residential Clean Energy Credit is based on clean energy “property/equipment” purchased

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Residential Clean Energy Credit

30 percent credit for certain qualified expenditures for residential clean energy credit.

- IRA extended the residential clean energy credit through 2034, added battery storage technology
- The credit applies for property placed in service after December 31, 2021, and before January 1, 2035.

The credit percentage rate phases down to:

- 26 percent for property placed in service in 2033,
- 22 percent for property placed in service 2034
- No credit after December 31, 2034.

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Residential Clean Energy Credit continued

- Solar credit
- Solar water heating
- Small wind energy
- Geothermal heat pump
- Fuel cell
- Battery storage technology (beginning with tax year 2023)

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Residential Energy Credit continued

- Solar electric property expenditures (solar panels);
- Solar water heating property expenditures (solar water heaters);
- Fuel cell property expenditures;
- Small wind energy property expenditures (wind turbines);
- Geothermal heat pump property expenditures; and
- Battery storage technology expenditures.

Fuel Cell Property

max credit of \$500 for each ½ kilowatt of capacity

30% of costs (No dollar limit)

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Residential Clean Energy continued

Equipment type	Tax Credit Available for 2022 Tax Year	Updated Tax Credit Available for 2023-2032 Tax Years
Home clean electricity products		
Solar (electricity)	30% of cost	
solar water (heating)		
Fuel Cells*		
Wind Turbine		
Geothermal heat pump		
Battery Storage	N/A	30% of cost

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Residential Clean Energy Credit: Energy efficiency requirements

- Solar water heating property: **Solar Rating Certification Corporation or a comparable entity**
- Geothermal heat pump property: **Energy Star program (in effect at time of purchase)**

Battery storage technology property: capacity of 3 kilowatt-hours or greater.

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Energy Credits – Qualifying Residence

Energy Efficient Home Improvement Credit

- Home in the US, owned & principal residence; (doors, windows, skylights, insulation and/or air sealing material or system)
- Home in US, owned or rented and used as a residence (AC/heaters, furnaces, boilers, panelboard, feeders, home audits)
- Existing home and renovation
- Solely used for business – no credit

Residential Clean Energy Credit

- Home located in U.S., owned or rented and used as a residence. Solar expenditures, small wind energy property, geothermal heat pump property, battery storage
- Fuel cell expenditures, principal residence (within the meaning of IRC Section 121)
- Existing home or newly constructed home.
- Solely used for business – no credit

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Labor costs calculating credit (rules vary by credit)

Energy Efficient Home Improvement

- Include onsite preparation, assembly, or original installation of residential energy property
- Does not include the labor costs for qualified energy efficient building envelope components including a qualifying insulation material or system, exterior window, skylight, or exterior door.

Residential Clean Energy property

- Include labor costs allocable to the onsite preparation, assembly, or original installation of the qualified property and for piping or wiring to interconnect the qualifying property to the home.

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Energy Credits: Additional information

- Nonrefundable
- Used property not eligible
- Labor costs
- Government Subsidies
- Public Utility – reduce cost by amount of subsidy
- Rebates - reduce cost by rebate
- State Energy Incentives – no action

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Energy Credits - Timing

- Claim credit in year property is installed
- Building envelope components reasonably can be expected to remain in use for 5 years
- No lifetime limits on credits.
- Carry forward of credit?
 - Energy Efficient Home Improvement Credit – No
 - Residential Clean Energy Property Credit - Yes

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How to claim Residential Energy Credits: Form 5695 (2022)

Form 5695 Residential Energy Credits OMB No. 1545-0074
 Department of the Treasury Internal Revenue Service Go to www.irs.gov/Form5695 for instructions and the latest information. Attach to Form 1040, 1040-SR, or 1040-NR. Attachment Sequence No. 158
 Name(s) shown on return Your social security number

Part I Residential Clean Energy Credit (See instructions before completing this part.)
 Note: Skip lines 1 through 11 if you only have a credit carryforward from 2021.

1	Qualified solar electric property costs	1
2	Qualified solar water heating property costs	2
3	Qualified small wind energy property costs	3
4	Qualified geothermal heat pump property costs	4
5	Qualified biomass fuel property costs	5
6a	Add lines 1 through 5	6a
6b	Multiply line 6a by 30% (0.30)	6b
7a	Qualified fuel cell property. Was qualified fuel cell property installed on, or in connection with, your main home located in the United States? (See instructions.)	7a <input type="checkbox"/> Yes <input type="checkbox"/> No
Caution: If you checked the "No" box, you cannot take a credit for qualified fuel cell property. Skip lines 7b through 11.		
b Print the complete address of the main home where you installed the fuel cell property.		
Number and street		Unit No.
City, state, and ZIP code		
8	Qualified fuel cell property costs	8
9	Multiply line 8 by 30% (0.30)	9
10	Kilowatt capacity of property on line 8 above x \$1,000	10
11	Enter the smaller of line 9 or line 10	11
12	Credit carryforward from 2021. Enter the amount, if any, from your 2021 Form 5695, line 10	12
13	Add lines 6b, 11, and 12	13
14	Limitation based on tax liability. Enter the amount from the Residential Clean Energy Credit Limit Worksheet (see instructions)	14
15	Residential clean energy credit. Enter the smaller of line 13 or line 14. Also include this amount on Schedule 3 (Form 1040), line 5	15
16	Credit carryforward to 2023. If line 15 is less than line 13, subtract line 15 from line 13	16

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 13640P Form 5695 (2022)

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Resources

- [Credits and Deductions Under the Inflation Reduction Act of 2022 | Internal Revenue Service \(irs.gov\)](#)
- [FAQs about energy efficient home improvements and residential clean energy property credits | Internal Revenue Service \(irs.gov\)](#)
- [Inflation Reduction Act of 2022 | Internal Revenue Service \(irs.gov\)](#)
- [Tax Credit Legislation | ENERGY STAR](#)
- [H.R.5376 - 117th Congress \(2021-2022\): Inflation Reduction Act of 2022 | Congress.gov | Library of Congress](#)
- [Making Our Homes More Efficient: Clean Energy Tax Credits for Consumers | Department of Energy](#)
- www.irs.gov/homeenergy

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Credit for builders of qualified new energy efficient homes



Inflation Reduction Act – New Energy Efficient Home Credit

- Up to \$5,000 per home
- Must meet eligibility requirements
- Type of home
- Home energy efficiency
- Prevailing wage requirements



Eligibility Requirements

- Construct or substantially reconstruct and rehabilitate a qualified home
- Own the home and have the basis in it during construction
- Sell or rent it to a person for use as a residence



To qualify a home must be:

- Either a single family (including manufactured homes) or multi-family home
- Located in the United States
- Used as a residence
- Certified by the environmental protection agency (EPA) or Department of Energy (DOE)



Requirement and Credit Amounts After 2023 and Through 2032

- Credit amount ranges from \$500 to \$5,000
- Standards include:
- Energy Star program requirements
- Zero Energy Ready Home program requirements
- Prevailing wage requirements (for multi-family dwelling units only)



Energy Saving Requirements

- Energy Star requirements
- Zero Energy Ready Home program requirements (ZERH)



Resources

Internal Revenue Service www.irs.gov

- Credit for builders of new energy efficient homes
- Credits and deductions for businesses
- Credits and deductions under the Inflation Reduction Act of 2022
- 45L New Energy Efficient Home Credit Notice 2023-65

Energy Star www.energystar.gov

- Energy Star Residential New Construction Program

Department of Energy www.doe.gov

- Zero Energy Ready Home Program

Be sure to visit www.irs.gov/homeenergy often

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Communications & Liaison STAKEHOLDER LIAISON

Inflation Reduction Act:

Energy Efficient Commercial Buildings Deduction Extension/Modification (Sec. 13303)



Energy efficient commercial building property (EECBP) in qualifying buildings eligibility:

- Must be installed on or in certain types of buildings, as described in Sec. 179D(c)(1)
- Schools, churches, hospitals and other buildings within the scope of ASHRAE Standard 90.1
- Must be in the United States



EECBP in qualifying buildings eligibility continued:

- Must be property for which depreciation is allowable, and which is installed as part of:
 - The interior lighting systems (exterior lighting does not qualify).
 - The heating, cooling, ventilation (HVAC) and hot water systems; or
 - The building envelope (e.g., windows and roofing).
- Must be certified as being installed as part of a plan to reduce the total annual energy and power costs for the above systems by 25% or more



Energy efficient building retrofit property in qualified buildings

Must be installed on or in a qualified building as part of:

- the interior lighting systems,
- the heating, cooling, ventilation, and hot water systems; or
- the building envelope.



ASHRAE standards

- Energy savings must be measured against the latest ASHRAE standard affirmed by Treasury at least 4 years before the property is placed in service.
 - For buildings that begin construction on or after Jan. 1, 2023, and placed in service on or after Jan. 1, 2027, ASHRAE Standard 90.1-2019 applies.
 - For buildings that begin construction before Jan. 1, 2023, or are placed in service before Jan. 1, 2027, ASHRAE Standard 90.1-2007 applies.



Allocation of Deduction

- Starting in 2023, certain tax-exempt entities are allowed to allocate the deduction to the designer:
 - Person that creates the technical specifications for installation of energy efficient commercial building property.
- An allocation of the Sec. 179D deduction must be in writing and contain eight elements specified in Notice 2008-40, Sec. 3.04.



Resources

- www.IRS.gov
- www.DOE.gov



IRA & CHIPS Clean Energy Provisions

	Code	Provision
Energy Generation & Carbon Capture	45, 45Y	Production Tax Credit
	45(d)	Credit for Electricity Produced From Renewable Resources
	48, 48E	Investment Tax Credit
	48(e), 48E(h)	Low-Income Communities Bonus Credit (Investment Tax Credit) **
	45Q	Credit for Carbon Oxide Sequestration
	45U 168(e)	Zero-emission Nuclear Power Production Credit Cost Recovery For Qualified Facilities, Qualified Property, And Energy Storage Technology
Vehicles	30D	Clean Vehicle Credit
	45W	Commercial Clean Vehicle Credit
	25E	Previously-Owned Clean Vehicle Credit
Manufacturing	45X	Advanced Manufacturing Production Credit
	48C	Advanced Energy Project Credit (\$10B allocated credit) **
	48D	Advanced Manufacturing Investment Credit (CHIPS Act)
Fuels	30C	Credit for Alternative Fuel Refueling/Recharging Property
	45V	Clean Hydrogen Production Credit
	40, 40A	Biofuel Incentives
	40B	Sustainable Aviation Fuel Credit
	45Z	Clean Fuel Production Credit
Efficiency	25C	Energy Efficient Home Improvement Credit
	25D	Residential Clean Energy Credit
	179D	Energy Efficient Commercial Buildings Deduction <small>** Requires application and registration</small>
	45L	New Energy Efficient Home Credit

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PRE-REGISTRATION

Pre-file registration or online application process that can be accessed through IRS.gov:

- Elective Payment Election
- Transfer Election
- Clean Vehicles
- Special Application Processes
 - ✓ Advanced Energy Project Credit (48C)
 - ✓ Low-Income Community Bonus (48e)

*The pre-filing registration and application processes will help assess the validity of the registrant and provide information about clean energy projects/investments; it does not confirm eligibility for the credit.

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IRC 6417 - Elective payment elections

- **With Elective Pay, tax-exempt and governmental entities that do not owe Federal income taxes will, for the first time, be able to receive a payment equal to the full value of tax credits for building qualifying clean energy projects or making qualifying investments.**
- **Elective Payment allows entities to get their payment if they meet the requirements for both elective pay and the underlying tax credit.**
- **By filing a return and using Elective Payment, these entities can receive tax-free cash payments from the IRS for clean energy tax credits earned, so long as all requirements are met, including a pre-filing registration requirement.**
- **Applicable entities can choose Elective Payment for 12 of the IRA's tax credits.**

Elective Payment entities include:

- Tax-exempt organizations under § 501(a), including § 501(c) and § 501(d) organizations
- States and political subdivisions such as local governments
- Indian tribal governments
- US territory governments and political subdivisions
- Agencies and instrumentalities of state, local, tribal, and territorial governments
- Alaska Native Corporations
- The Tennessee Valley Authority
- Rural electric co-operatives



elective payment elections

What will I need to do to qualify for elective 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**
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**
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 the required annual tax return by the due date (or extended due date) and make a valid elective payment election.**



48(e): WIND & SOLAR CREDIT

The program prioritizes:

- **Increased adoption of and access to renewable energy facilities in underserved and environmental justice communities.**
- **Encouraging new market participants.**
- **Providing substantial benefits to underserved communities and individuals who have been historically marginalized from economic opportunities and overburdened by environmental impacts.**

Approved more than 45,000 Low-Income Communities Bonus Credit program applications for eligible solar and wind projects, allocating more than 1,100 megawatts of capacity



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Low-Income Communities Bonus Credit Program

The Low-Income Communities Bonus Credit Program provides an increase of 10 percentage points to the Section 48 investment tax credit (ITC) for qualifying solar and wind energy facilities located in low-income communities or on Indian Land, and an increase of 20 percentage points for facilities that are built as part of a Qualified Low-Income Residential Building Project, or as part of a Qualified Low-Income Economic Benefit Project. To submit an application for your organization, click the log in button below to be redirected to the Department of Energy's ONE ID authentication hub to create or sign-in to your [Login.gov](#) account. Upon completion, you will be redirected back to this website to begin the registration process on behalf of your organization. Registered applicants will be able to create, view, and manage their applications. Before registering, please review the [Registration FAQs](#).



Log In

Who qualifies

The applicant must be the organization that owns the solar or wind facility.

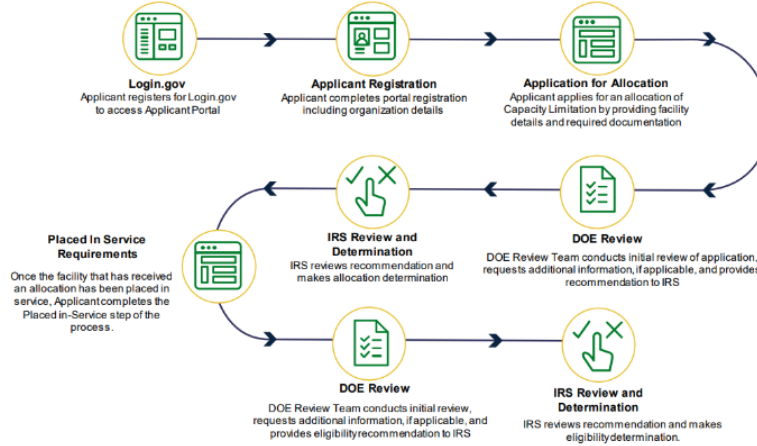
The individuals who apply for an allocation of Capacity Limitation on behalf of their organization must have the legal authority to do so by the position of authority within the organization.

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Sty

Text



Wind & Solar Credit: Application process overview



Start the process @ <https://eco.energy.gov/ejbonus/s/>



Cross-cutting provisions/bonuses

Style Header	Style Header	Style Header	Style Header
Text			
Tax Provision	Description		
Prevailing Wage & Apprenticeship (PWA) Requirements	For a number of the tax credits created or modified by IRA, the base credit amount is increased by five times for projects that meet requirements for paying prevailing wages and using registered apprentices.		
Energy Communities Bonus	Projects located in historical energy communities, including areas with closed coal mines or coal-fired power plants, are eligible for a 10 percent increase in the Production Tax Credit (§ 45, 45Y) and an up to 10 percentage point increase (if PWA requirements are met) in the Investment Tax Credit (§ 48, 48E). The bonus is also available to brownfield sites and to areas that have significant employment or local tax revenues from fossil fuels and higher than average unemployment		
Low Income Communities Bonus <i>Application required</i>	Provides an 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 to benefit low-income households. Additional credit is 10 or 20 percentage point increase on base Investment Tax Credit (§ 48, 48E). You must apply and receive a capacity allocation, and then place your facility in service to claim this bonus.		
Domestic Content Bonus	Projects or facilities that meet domestic content requirements are eligible for a 10 percent increase to the Production Tax Credit (§ 45, 45Y) or up to a 10-percentage point increase (if PWA req's met) to the Investment Tax Credit (§ 48, 48E). For projects or facilities beginning construction starting in 2024 or later, for taxpayers using elective pay, the domestic content requirement can also result in a reduction of the Production Tax Credit or Investment Tax Credit if it is not met.		



Resources Prevailing wage & apprenticeship

Only the prevailing wage requirement applies to:

New Energy Efficient Home Credit

Zero-Emission Nuclear Power Production Credit

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



IRS.gov/PWA
irs.gov/pub/irs-pdf/p5855.pdf

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ERC Update

- I. IR 2024-30 (80% payback)
- II. IR 2024-203 – August 2024 Update
- III. IRS 2024-213 – Voluntary Withdrawal until November 22, 2024, (85% payback)
- IV. IR 2024 – 246 - Extend to Payroll Withdrawal



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**Marijuana
IR 2024-77
IRC 280E**



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IRC 72(t) - Penalty

IRS Notice 2024-55, IRS Notice 2024-28



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1099-K

\$20,000, 200 transactions

\$600?



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Information Returns

Form 8508

IRC 601(e)(2)(B)

1099-DA



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Tax Rates

TCJA



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RMD

IRS Notice 2024-35



II. IRIS/FIRE

- **Information Return Intake System**
- **File Information Returns Electronically**

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System Capabilities, Authentication and Authorization

IRS Business Unit and IT stakeholders engaged in a collaborative process to identify and examine the impact of TFA Sec. 2102. Through Rapid Requirement Elicitation sessions, business coordination meetings, and working sessions, the project team determined the scope, system functionality of and capabilities the 1099 platform.

Current Capabilities in the 1099 Platform – Information Returns Intake System (IRIS)

- | | |
|---|---|
| ✓ Create User Type Profile | ✓ Download Form(s) 1099 for Distribution to Recipients |
| ✓ Authorize Users to Access the Platform | ✓ View Detailed Submission Information |
| ✓ View Authorized Account Users | ✓ Push Notifications for Users |
| ✓ Support of Automatic Extensions | ✓ Notifications within IRS System |
| ✓ Prepare Form(s) 1099 | ✓ Combined Federal/State Filing (CF/SF) Program Integration |
| ✓ Allow File Uploads | ✓ Correct Submitted Form(s) 1099 |
| ✓ Populate Form(s) 1099 with Prior Year Data | ✓ Store Persisted Data in a Repository |
| ✓ Provide Inline Form(s) 1099 Data Validation | ✓ Provide Data for Downstream Systems |
| ✓ Conduct Data Checks | |
| ✓ Store Unsubmitted Data Internally at IRS | |
| ✓ Review Form Data | |
| ✓ Store Payer Information for Re-use | |

User Authentication and Authorization Protocols

- ✓ Secure Access Digital Identity (SADI) – Users must authenticate using this one-time, two-factor authentication process
- ✓ E-Services Account - Users will need to create an E-Services account to access IRIS
- ✓ External Services Authorization Management (ESAM) - IRIS is an application within ESAM, similar to Transcript Delivery System (TDS), FIRE, Affordable Care Act Information Returns (AIR), etc.



Information Returns to be Accepted by IRIS

Release 1 - January 2023	Releases 2 & 3 (Notional & subject to funding)
<ul style="list-style-type: none">Form 1099-A, Acquisition or Abandonment of Secured PropertyForm 1099-B, Proceeds from Broker and Barter Exchange TransactionsForm 1099-C, Cancellation of DebtForm 1099-CAP, Changes in Corporate Control and Capital StructureForm 1099-DIV, Dividends and DistributionsForm 1099-G, Certain Government PaymentsForm 1099-H, Health Coverage Tax Credit (HCTC) Advance PaymentsForm 1099-INT, Interest IncomeForm 1099-K, Payment Card and Third-Party Network TransactionsForm 1099-LS, Reportable Life Insurance SaleForm 1099-LTC, Long-Term Care and Accelerated Death BenefitsForm 1099-MISC, Miscellaneous InformationForm 1099-NEC, Nonemployee CompensationForm 1099-OID, Original Issue DiscountForm 1099-PATR, Taxable Distributions Received from CooperativesForm 1099-Q, Payments from Qualified Education ProgramsForm 1099-R, Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.Form 1099-S, Proceeds from Real Estate TransactionsForm 1099-SA, Distributions from an HSA, Archer MSA, or Medicare Advantage MSAForm 1099-SB, Seller's Investment in Life Insurance Contract1099-QA, Distributions from ABLE AccountsAutomatic Extensions for Forms 1099 Filing	<ul style="list-style-type: none">New Digital Asset Forms (e.g., 1099-DA, Digital Asset Proceeds from Broker Transactions & 8300-DA, Report of Digital Asset(s) and Cash Payments Over \$10,000 Received in a Trade or Business)Form 3921, Exercise of an Incentive Stock Option Under Section 422(b)Form 3922, Transfer of Stock Acquired Through an Employee Stock Purchase Plan under Section 423(c)Form 5498, IRA Contribution InformationForm 5498-ESA, Coverdell ESA Contribution InformationForm 5498-SA, HSA, Archer MSA, or Medicare Advantage MSA InformationForm 5498-QA, ABLE Account Contribution InformationForm W-2G, Certain Gambling WinningForm 1098, Mortgage Interest StatementForm 1098-C, Contributions of Motor Vehicles, Boats, and AirplanesForm 1098-E, Student Loan Interest StatementForm 1098-F, Fines, Penalties and Other AmountsForm 1098-Q, Qualifying Longevity Annuity Contract InformationForm 1098-T, Tuition StatementForm 1097-BTC, Bond Tax CreditForm 1042-S, Foreign Person's U.S. Source Income Subject to WithholdingForm 8955-SSA, Annual Registration Statement Identifying Separated Participants with Deferred Vested BenefitsForm 8027, Employer's Annual Information Return of Tip Income and Allocated Tips <p>Later Releases (Notional & subject to funding)</p> <ul style="list-style-type: none">Non-Automatic Extensions & WaiversACA FormsFATCA FormsNon-Standard Information ReturnsK-1sState Information ReturnsFinCEN Information Returns



Application to Application (A2A)

Planned future features under A2A

- The A2A launch date is TBD – likely after FS 2023.
- Beginning December 12, 2022, you can apply for your IRIS TCC(s):
 - A2A - Issuer/Transmitter TCC
 - A2A - Software Developer TCC
 - Taxpayer Portal (User Interface) – Issuer/Transmitter TCC
- Schemas and business rules for A2A filing will be available through the Registered User Portal and your e-services mailbox beginning December 13, 2022.
 - This mailbox is part of the Secure Object Repository (SOR).
 - To receive the distribution of schema packages, you must have an active e-services account and be listed on an IRIS Application for TCC with the provider role of Software Developer.
- FIRE will be available for bulk filing Form 1099 series and the other information returns for FS 2023.
- FIRE will continue to use ASCII formatting and specifications contained in Publication 1220.



Publications

Publication 5717 Information Returns Intake System (IRIS) Taxpayer Portal User Guide
<https://www.irs.gov/pub/irs-pdf/p5717.pdf>

Coming Soon! Publication 5718 Information Returns Intake System (IRIS) Electronic Filing Application to Application (A2A) Specifications

Coming Soon! Publication 5719 Information Returns Intake System (IRIS) Test Package for Information Returns

Websites

www.irs.gov/inforeturn - a website that provides an overview of the three different intake channels (FIRE, AIR and IRIS)

www.irs.gov/iris - a website that provides general information about IRIS

www.irs.gov/iris-ats and www.irs.gov/iris-schema - websites that provide information about Assurance Testing Scenarios (ATS) for the Application to Application (A2A) filer for IRIS



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National Tax Security Awareness Week

National Tax Security
Awareness Week 2024 |
Internal Revenue Service



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National Security Awareness Week
December 2, 2024 – December 6, 2024

National Tax Security Awareness Week

IRS and the Security Summit highlight measures against identity theft and scams.

#TAXSECURITY

Tax Scams, Identity Theft, Refund Fraud



STAY SAFE WHILE SHOPPING ONLINE

Avoid a holiday meltdown
Get tips to keep your data safe when shopping online from the IRS and Security Summit.

National Tax Security Awareness Week
 irs.gov/securitysummit

Shop only on secure sites

Use only secured networks

Update security software

Secure devices

Use malware stoppers and firewalls

Use strong, unique passwords

Use multi-factor authentication


2024 National Tax Security Awareness Week
www.IRS.gov/NTSAW






STAY SAFE ON SOCIAL MEDIA

Wildly inaccurate tax advice often circulates on social media.



Following it has bad consequences.

 **irs.gov/scams**

#TaxSecurity

Pub 5461 Protect Personal and Financial Information Online

2024 National Tax Security Awareness Week
www.IRS.gov/NTSAW

Follow IRS-verified social media accounts and e-news services

Don't provide personal or financial information

Verify eligibility for tax credits with a trusted tax professional

Use IRS.gov to fact check information

Stay aware of the latest scams by following @IRStaxsecurity on X



INDIVIDUALS STAY SAFE BY USING AN IDENTITY PROTECTION PIN (IP PIN)

An IRS Identity Protection PIN is as unique as a snowflake.

Secure your tax account with a one-of-a-kind number.

National #TaxSecurity Awareness Week

irs.gov/ippin 

Pub 5461-B Get an Identity Protection PIN

2024 National Tax Security Awareness Week
www.IRS.gov/NTSAW

Use an Identity Protection (IP) PIN when filing a tax return, including amended or prior year returns

The IRS will never ask you for your IP PIN

Protect your IP PIN and only share it with trusted tax software provider or tax preparer





BUSINESSES STAY SAFE BY SAFEGUARDING INFORMATION



- Safeguard customer data by:
- Setting security software to update automatically
 - Back up important files
 - Require strong passwords with multi-factor authentication
 - Encrypt all devices

Beware of phishing and impersonation schemes

Review tips in the business section of Identity Theft Central on IRS.gov

Pub 5461-C Businesses should watch out for tax-related scams and implement safeguards

2024 National Tax Security Awareness Week
www.IRS.gov/NTSAW



Tax Pros Stay Safe by having a WRITTEN INFORMATION SECURITY PLAN (WISP)



Develop a written information security plan (WISP)

Use IRS Secure Online Tools (Tax Pro Account)

Use Multi-Factor Authentication

Know what to do if you have a data breach

Pub 5708 Creating a WISP

Pub 5461-D Tax professionals should review their security protocols

Pub 5461-F Review account details on secure portal

2024 National Tax Security Awareness Week
www.IRS.gov/NTSAW





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Processing Tips

- I. Amended Returns
- II. Form 1310/Form 56
- III. Form 2848
- IV. Assistor Name/IRS Number



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Questions????

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