

Deloitte Tax looks at recent guidance on wage, apprenticeship requirements for enhanced clean energy tax benefits

The Treasury Department and IRS released guidance (Notice 2022-61) late last year explaining how taxpayers can satisfy the “prevailing wage and apprenticeship requirements” for enhanced tax benefits that are available for certain clean energy projects under the Inflation Reduction Act of 2022 (P.L. 117-169).

[URL: https://www.federalregister.gov/documents/2022/11/30/2022-26108/prevailing-wage-and-apprenticeship-initial-guidance-under-section-45b6bii-and-other-substantially](https://www.federalregister.gov/documents/2022/11/30/2022-26108/prevailing-wage-and-apprenticeship-initial-guidance-under-section-45b6bii-and-other-substantially)

Among its key provisions, the notice:

- Establishes the 60-day period (described in the legislation) that determines when the requirements take effect, which means January 28, 2023, is the last day by which a taxpayer may begin construction of qualified facility, energy property, or energy project without having to meet the substantive prevailing wage and apprenticeship requirements to qualify for increased credit or deduction amounts;
- Provides relevant cross-references, definitions for various terms, and procedures for taxpayers to apply the substantive prevailing wage and apprenticeship requirements; and
- Provides guidance for determining the beginning of construction or installation relevant to the prevailing wage and apprenticeship requirements and for other credit eligibility and qualification purposes, by reference to other IRS guidance previously issued.

The notice also states that the IRS and Treasury anticipate issuing proposed regulations or other guidance with respect to the prevailing wage and apprenticeship requirements.

Find out more

A new tax alert from Deloitte Tax LLP provides an overview of the notice. A detailed discussion of all the clean energy tax provisions in the Inflation Reduction Act is also available from Deloitte Tax.

[URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2023/TNV/230113_3_suppA.pdf](https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2023/TNV/230113_3_suppA.pdf)

[URL: https://www2.deloitte.com/us/en/pages/tax/articles/inflation-reduction-act-2022-clean-energy-incentives.html](https://www2.deloitte.com/us/en/pages/tax/articles/inflation-reduction-act-2022-clean-energy-incentives.html)

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