

Deloitte Tax looks at qualifying advanced energy project guidance

The Treasury Department and the IRS issued Notice 2023-18 on February 13 establishing the program under section 48C(e) to allocate \$10 billion of tax credits to qualifying advanced energy projects, with \$4 billion of that amount allocated only to projects located in certain energy communities. The credit for qualified advanced energy projects was enacted as part of the Inflation Reduction Act of 2022 (P.L. 117-169.)

URL: <https://www.taxnotes.com/research/federal/irs-guidance/notices/irs-establishes-program-to-allocate-energy-credits/7fylq>

URL: <https://www.taxnotes.com/research/federal/legislative-documents/public-laws-and-legislative-history/inflation-reduction-act-of-2022-%28p.l.-117-169%29/7dybc>

Notice 2023-18 provides that at least two allocation rounds are anticipated. The first allocation round (Round 1) begins on May 31, 2023, allocating \$4 billion in credits, with \$1.6 billion expected for projects located in certain energy communities. To be considered for Round 1, taxpayers must submit concept papers to the Department of Energy by July 31, 2023. Treasury and the IRS intend to issue a supplemental notice by May 31, 2023, that will provide additional guidance.

A new alert from Deloitte Tax LLP provides an overview of the notice.

URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2023/TNV/230428_3_suppA.pdf

— Michael DeHoff
Tax Policy Group
Deloitte Tax LLP

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