

# Bond Case Briefs

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## Tax Credit and Grant Opportunities in the Inflation Reduction Act.

On Aug. 16, 2022, President Joe Biden signed the \$750 billion Inflation Reduction Act (IRA) into law. Originally introduced as the Build Back Better Act in September of 2021, this cornerstone of the Biden legislative agenda was whittled down due to disagreements within the Democratic caucus. As recently as early July of last year, any deal was considered dead in the water. However, on July 27, 2022, a surprise deal was announced that involved numerous tax provisions, including \$370 billion in energy security and climate investments, as well as \$300 billion of tax increases set aside for deficit reduction.

While full guidance of all of the bill's provisions has not yet been released, now is the time for interested industry members to engage in the possible benefits, many of which will come in the form of tax credits.

Of the nearly \$370 billion in climate-related incentives in the bill, \$270 billion will be delivered to eligible entities through tax subsidies. Already, the Internal Revenue Service (IRS) has begun accepting comments on how to implement these provisions and has received a higher than normal number of submissions (to read more about some of these requests for comment, please see Brownstein's analysis [here](#)). This underscores how heavily the federal government will rely on industry and stakeholder feedback to carry out these new tax provisions, as many of the details that will inform how the clean energy credits should work are outside of the agency's usual scope and require industry-level knowledge.

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January 10 2023