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IRS Issues Guidance for Energy Tax Credits in Low-Income Communities - Notice 2023-17: McGuireWoods

The Inflation Reduction Act of 2022 (IRA) created several new tax incentives to encourage developing clean energy projects that would benefit underserved communities and individuals. Among these incentives, Congress included generous adders to the Section 48 investment tax credit (ITC) for qualified solar and wind facilities deployed in specified low-income communities or residential developments (low-income community benefit adders).

To receive these increased credit amounts, project owners need to apply for an allocation of the “environmental justice solar and wind capacity limitation” through a program jointly administered by the Treasury Department and the Department of Energy.

On Feb. 13, 2023, the IRS released [Notice 2023-17](#) establishing the initial guidance on this capacity limitation program and the standards on which projects will be evaluated, and promising more guidance to come.

[Continue reading.](#)

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