Bond Case Briefs

Municipal Finance Law Since 1971

How Governments and Nonprofits Can Take Advantage of Tax Credits for Clean Energy: Opening of the Pre-Filing Window Publications - Kutak Rock

On December 22, 2023 the Internal Revenue Service (IRS) announced the availability of the anticipated *"IRA/CHIPS Pre-filing Registration Tool" (the "Tool") relating to elective payment of certain tax credits. State and local governments and political subdivisions thereof, Indian tribal governments, tax-exempt organizations and other applicable entities will now be able to use the Tool to register tax credits expected to be claimed as direct payments for eligible energy projects.* The IRS announcement and additional information regarding the Tool may be found here.

There are 12 tax credits currently eligible for direct payments (also referred to as "elective payment") including, for example, the following credits: renewable electricity production (I.R.C. § 45 – pre-2025); carbon oxide sequestration (I.R.C. § 45Q); clean electricity production (I.R.C. § 45Y – 2025 onwards); energy credit (I.R.C. § 48 – pre-2025); and clean electricity investment credit (I.R.C. § 48E – 2025 onwards). Elective payment of these tax credits was made available through the Inflation Reduction Act of 2022, Pub. L. No. 117-169 (IRA). These tax credits are general business credits under I.R.C. § 38. Elective payment under I.R.C. § 6417 creates an alternative way for applicable entities that have earned tax credits to receive the benefit of the credits even if these entities cannot use the credit to offset tax liability. Please see our publication of June 16, 2023 describing elective pay tax credits generally. Please contact any member of the firm's Energy Group to discuss general eligibility for elective pay tax credits.

Continue reading.

Client Alert | December 28, 2023

Kutak Rock LLP

Copyright © 2026 Bond Case Briefs | bondcasebriefs.com