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## **Final Municipal Tax Credit Regulations Present Opportunities for Clean Energy Projects.**

In March, the U.S. Department of the Treasury and Internal Revenue Service (IRS) published [final regulations](#) for the Inflation Reduction Act elective pay program, also known as direct pay, that provides tax incentives to municipalities for installing a variety of clean energy projects.

Since the initial guidance was published last year, NLC hosted focus groups with members to inform our comments to Treasury and the IRS on what municipalities need to see in these rules to make them work. We are pleased to see much of our feedback incorporated into the final rule, which will make it easier for local governments to take advantage of the tax credits and clean energy projects in communities that help meet local climate action goals. The final regulations incorporate much of our feedback.

This blog breaks down the final regulations into things municipalities should know, key wins, and remaining challenges for municipalities as they move forward with implementing elective pay programs in their communities.

[Continue reading.](#)

### **National League of Cities**

by Michael Gleeson & Carolyn Berndt

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