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Tax Analysts: The Road Ahead for Energy Credits in 2026

The year ahead may not be as legislatively tumultuous for energy tax credits as 2025, but there are still key developments on the horizon that will further shape the energy industry. Chief among them is the guidance for the revamped foreign entity of concern rules.

Last year ended with a flurry of project development activity that couldn't have easily been foreseen at the beginning of the year, when the political headwinds seemed stronger. The year-end rush to begin construction on energy projects was set in motion in July 2025 with the passage of the One Big Beautiful Bill Act (P.L. 119-21) and its rules for material assistance and prohibited foreign entities. Projects that were able to begin construction before the end of 2025 could sidestep those rules. Projects beginning this year have to comply, but as yet, there is no guidance beyond the statutory language.

Continue reading.

Tax Analysts

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