Inflation Reduction Act

Philadelphia Community Briefing
Office of Congressman Dwight Evans
The Inflation Reduction Act

- Major investments passed by congressional Democrats to lower health care costs, grow domestic energy production/manufacturing, and ensure corporations and wealthy people are paying their fair share in taxes.

- Major wins include:
  - Saving over 1 million Medicare beneficiaries money on prescription drugs by capping out-of-pocket spending.
  - Growing the clean energy economy and creating millions of good-paying jobs.
  - Lowering costs for working families, strengthening supply chains, fighting inflation, and reducing our nation’s deficit.
  - Raising $739 billion in revenue, investing $369 billion in energy security and climate change, and another $64 billion to extend the Affordable Care Act.
The Inflation Reduction Act

- Most new federal funding will not be allocated directly to cities but to state governments or through competitive/discretionary grants.
- Federal agencies are preparing additional guidance on implementing IRA provisions i.e., application processes/timing, grant instructions, funding resources, etc.
- Philadelphia-based officials must coordinate to ensure Philadelphians receive as much benefit as possible from this bill.
- Congressman Evans and his office are available to help state and local officials, and their offices, navigate the benefits of this legislation.
The Inflation Reduction Act supports American families by lowering health care costs for millions of individuals and families under Medicare, Medicaid, CHIP, and private insurance.
Prescription Drug Price Reforms

The IRA creates a path to negotiate prescription drug prices for high-priced drugs under Medicare Parts B and D, lowering prices for seniors and people with disabilities.

Starting in 2026, prices for the 10 most expensive, single-source drugs will be negotiated. This expands to 15 for 2027 and 2028 then 20 for 2029.
Prescription Drug Price Reforms

- Medicare Part D out-of-pocket drug spending will be capped at $2,000 per year starting in 2025.
- Insulin will be capped at $35 per month starting in 2023.
- Drug manufacturers are required to pay a rebate to Medicare if they increase their prices faster than the rate of inflation beginning in 2023.
- Starting in 2023, enrollees in Medicare Part D, Medicaid, and CHIP will no longer have a requirement of cost-sharing for vaccines recommended by the Advisory Committee on Immunizations Practices (ACIP).
The IRA includes an extension of Affordable Care Act (ACA or Obamacare) Premium Tax Credits (PTC) through 2025.

The Premium Tax Credits will prevent 3 million Americans from losing their health coverage.

13 million Americans will continue to save an average of $800 per year on health insurance premiums.

Health care premiums are capped at 8.5% of income and Americans earning less than 150% of the Federal Poverty Level can enroll in 0-dollar premium plans.
The Inflation Reduction Act supports clean energy technologies to combat climate change.

These investments will reduce PA greenhouse gas emissions by 55 million metric tons by 2050.
Energy and climate tax incentives

Placement in low-income communities

Placement in energy communities

Domestic content

Direct pay option will allow the City of Philadelphia to take advantage of tax treatment previously only available to investor-owned utilities.
Residential Clean Energy Credit

(formerly known as the Residential Energy Efficient Property Credit
(Section 25D))

- Will help **homeowners** purchase and install qualified energy-efficient property including:
  - solar-electric and solar water-heating
  - fuel cells
  - geothermal heat pumps
- Over 610,000 PA households may be able to install rooftop solar panels and claim this credit
- Covered expenditures include labor costs for on-site assembly or installation, and for piping/wiring to interconnect a system to the home
Energy Efficient Home Improvement Credit
formerly known as the Nonbusiness Energy Property Credit
(Section 25C)

Will help homeowners improve energy efficiency by buying/installing:

- High-efficiency water heaters, heat pumps, central air conditioners
- Biomass stoves
- Replacement windows, doors, and panelboards
- Air sealing insulation
- Home energy audits
New Energy Efficient Home Credit (Section 45L)

- Benefits developers who build or remodel housing units to reach energy-saving specifications
- Will lower construction costs and decrease long-term energy costs for new homebuyers
- Also applies to existing homes that undergo a deep retrofit
Electric Vehicles
(Section 25E)

- New tax credits for low- and moderate-income households to purchase pre-owned clean vehicles

- PA will benefit from this EV expansion thanks to the state government’s plan to use Infrastructure Investment and Jobs Act dollars to expand EV stations
Clean Commercial Vehicles
Section 45W

- New tax credit for corporations and tax-exempt entities including cities
- Will dramatically reduce the cost of purchasing clean vehicles for municipalities, and help cities transition more quickly from gas to electric vehicles
- Covers up to 30% of the cost of qualified commercial clean vehicles placed in service before 2033
Energy Efficient Commercial Buildings Deduction

- Rewards businesses achieving 25-50% energy use reductions
- Available primarily to building owners
- Deductions are taken in the year when construction is completed
- For energy efficient systems installed on or in government property, tax deductions will be awarded to the person primarily responsible for the system’s design.
USING THE TAX CODE TO ADVANCE ENVIRONMENTAL AND ECONOMIC JUSTICE:

Low-Income Housing Renewable Energy Credit

- Promotes environmental equity by bringing renewable energy to underserved communities
- Helps low-income families in multi-family housing directly benefit from solar energy’s electricity cost savings
- Covers projects with both location-based and off-site solar, reaching more families
- Stabilizes affordable housing assets, improves grid resilience, and incentivizes good job opportunities in the green energy sector
The IRA is the largest effort to reduce environmental injustice in America’s history. Targeted programs and incentives will improve public health, reduce pollution, and increase access to clean energy in underserved communities.
Environmental Justice

- $3 billion for Environmental and Climate Justice Block Grants
- $3 billion for Reducing Air Pollution at Ports
- Over $750 million for National Environmental Protection Act (NEPA)
Environmental Justice

- Over $11 billion for Reinstatement of Superfund Tax (Section 4611)

- $87 million in Low Emissions Electricity Program to help low-income and disadvantaged communities reduce greenhouse gas emissions from electricity usage
Greenhouse Gas Reduction Fund

- $27 billion to prioritize emissions-reducing projects in disadvantaged communities and fund state and local green banks like the Philadelphia Green Capital Corporation

- At least 60 percent of funds must go to disadvantaged communities

- Eligible projects include:
  - Zero-emission technology
  - Environmental justice investment funds
  - General investment in all communities
Neighborhood Access and Equity Grants

- Program builds off the work of the Reconnecting Communities Pilot Program launched by the Infrastructure Investment and Jobs Act, co-led by Congressman Evans.

- Will provide $3 billion in competitive grants to
  - Reconnect communities divided by existing infrastructure
  - Mitigate negative impacts of transportation or construction projects on underserved communities
  - Engage communities for equitable transportation planning
Neighborhood Access and Equity Grants

- Grants available to:
  - states
  - municipal governments
  - metropolitan planning organizations
  - NGOs and education institutions in partner with an eligible organization.
Neighborhood Access and Equity Grants

- Eligible projects include:
  - Removing or remediating surface transportation facilities which create obstacles to connectivity within communities
  - Retrofitting or capping a highway or road
  - Planning and capacity building activities in disadvantaged communities to address transportation inequity
  - Obtaining technical assistance for related activities
Urban Renewal

- **$1.5 billion to create community and urban forests**
  - Will expand green spaces in cities, combat climate change, increase recreational opportunities, cool down urban heat islands, and lower electricity bills

- **$50 million for urban parks**
  - Competitive grants to municipal governments for acquisition and development of urban parks

- **$550 million for water supply projects**
  - Focus on households that do not currently have reliable domestic water supply
Reducing Air Pollution

Clean Heavy-Duty Vehicles
- $1 billion EPA program to cover the cost of zero-emission school buses, garbage trucks, and public transit buses

Diesel Emissions Reduction Act
- $60 million to address diesel emissions from airports, railyards, and distribution centers

Decreasing Air Pollution at Schools
- $50 million to improve monitoring and reduction of air pollution at public schools in low-income areas
The Inflation Reduction Act is the largest investment to address climate change in American history. By building a clean energy economy, we will power millions of new homes, save American families hundreds on their annual energy costs, create millions of jobs, and reduce our collective climate impact.
Jobs and Manufacturing

- 93,000+ PA workers are employed in domestic clean energy jobs, and over 542,000 in manufacturing jobs.
- By 2030, IRA will bring $270 million in clean power investment in PA, creating thousands of jobs in clean energy and manufacturing throughout the Commonwealth.
- Most tax credits offer bonus credit opportunities for:
  - Businesses that pay prevailing wages
  - Businesses that hire registered apprentices
$4.3 billion provided to states to help homeowners cut energy usage via energy-efficient retrofits.

Incentives based on performance of home energy efficiency improvements and paid to contractors and companies doing the improvements.

State energy agencies will have leeway to implement.
## HOMES Rebate

<table>
<thead>
<tr>
<th>If a property...</th>
<th>achieves this percentage in energy savings...</th>
<th>they will be eligible for $$$...</th>
<th>Or for $$$ if it is a low income building...</th>
<th>Not to exceed a total $$$ of...</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Multifamily properties</strong></td>
<td>20-35%</td>
<td>$2,000 per unit</td>
<td>$4,000 per unit</td>
<td>$200,000</td>
</tr>
<tr>
<td><strong>Multifamily properties</strong></td>
<td>Over 35%</td>
<td>$4,000 per unit</td>
<td>$8,000 per unit</td>
<td>$400,000</td>
</tr>
<tr>
<td><strong>Single family homes</strong></td>
<td>20-35%</td>
<td>Up to 50% of project cost (80% for low-income homes)</td>
<td>***</td>
<td><strong>$2,000 ($4,000 for low-income homes)</strong></td>
</tr>
<tr>
<td><strong>Single family homes</strong></td>
<td>Over 35%</td>
<td>Up to 50% of project cost (80% for low-income homes)</td>
<td>***</td>
<td><strong>$4,000 ($8,000 for low-income homes)</strong></td>
</tr>
</tbody>
</table>

The above is based on criteria provided in the IRA. States may alternatively use measured energy savings and a payment rate per kilowatt hour saved or equivalent measurement to determine rates.
High-Efficiency Electric Home Rebate Act (HEEHRA)

- $4.275 billion to help single- and multifamily-property owners upgrade inefficient and non-electric appliances, including:
  - Water heaters
  - HVAC systems
  - Electric clothes dryers
  - Insulation and air sealing
  - Electric load and service center panels

- Point-of-sale rebate covers 100% of electrification project for low-income households (50% for moderate-income), up to $14,000.

- Upgrades cannot receive both a HOMES rebate and a HEEHRA rebate. Each upgrade is limited to one rebate.

- More guidance will be necessary from individual states and the Secretary of Energy on applicable uses for these funds and how to access them.
Assistance for Latest and Zero Building Energy Code Adoption

- $330 million in grants to help states and local governments adopt latest building energy codes.
  - average PA homeowner would save 13.5% on their annual utility bills under updated codes
- $670 million in grants to help states and local governments adopt Zero Energy codes.
  - Zero Energy buildings are those which combine energy efficiency and renewable energy to result in net-zero energy consumption.
$1 billion in U.S. Department of Housing and Urban Development grants or loans to support affordable housing upgrades including:

- Energy or water efficiency
- Indoor air quality or sustainability
- Zero-emission electricity generation or low-emission building materials or processes
- Energy storage
- Building electrification
- Climate resilience
Revenue-raising provisions

To pay for the programs outlined in previous slides, the reconciliation bill enacted:

- 15% corporate minimum tax
- 1% tax on stock buybacks
- $80 billion for the Internal Revenue Service (IRS)
15% corporate alternative minimum tax (CAMT) to ensure that the largest companies, including Amazon, pay their fair share in taxes.

- Companies that report over $1 billion in profits to shareholders will pay a 15% CAMT based on book income.
- The Joint Committee on Taxation estimates that 150 companies will be subject to this tax.
1% tax on stock buybacks

This new tax applies to repurchases of stock after December 31, 2022.

Nondeductible 1% excise tax on corporate stock buybacks to encourage businesses to invest rather than enrich CEOs or funnel profits tax-free to shareholders.

The 1% fee on stock buybacks by publicly-traded corporations will level the playing field for workers.

The tax code will stop favoring buybacks for rich shareholders and executives over investments in workers and innovation.
Investing in the Internal Revenue Service

$80 billion to enhance IRS services

- Taxpayer services to help families access credits (CTC, EITC) they have earned
  - pre-filing assistance and education
  - filing and account services
  - taxpayer advocacy services
- Tax enforcement to ensure that the wealthy and large corporations pay the taxes they owe
- Modernization including call-back and other customer service technology
- IRS will report on developing a free direct e-file system for taxpayers
How IRA Can Help Small Businesses

Cutting Energy Costs

- Tax credit that covers 30% of cost of switching over to low-cost solar power - lowering operating costs and protecting against volatile energy prices
- Building owners can receive a tax credit up to $5 per square foot to support energy efficiency improvements
- Small businesses that use large vehicles like trucks and vans will benefit from tax credits covering 30% of purchase costs for clean commercial vehicles, like electric and fuel cell models
How IRA Can Help Small Businesses

Preserving Support for Health Care Costs

- Keeps American Rescue Plan’s premium tax credit for ACA plans by extending them through 2025 - ACA provides coverage for 2.6 million small business owners and self-employed adults

Doubling R&D Tax Credit

- Increases refundable R&D tax credit for small businesses from $250,000 to $500,000
- Small businesses, starting in 2023, may use the credit to further reduce payroll taxes and several other business expenses by up to $500,000 annually
Congressman Dwight Evans represents Pennsylvania’s 3rd Congressional District, which includes Northwest and West Philadelphia and parts of North, South and Center City Philadelphia. He was first elected in a special election in November 2016.

Before that, he served as a state representative for 36 years, and earned a reputation as a pragmatic leader who knows how to put public policy above politics and make ideas matter. He made history in 1990 when he became the first African American chairman of the House Appropriations Committee, a position he held for two decades.

He currently is a member of the historic Ways and Means Committee, as well as the Small Business Committee.
Congressional Offices

WEST OAK LANE OFFICE
7174 Ogontz Avenue, Philadelphia, PA 19138
Phone: (215) 276-0340 Fax: (215) 276-2939
Office Hours: M-F 9:00-5:00

POINT BREEZE OFFICE
1310 Point Breeze Avenue, Philadelphia, PA 19146
Phone: (215) 254-3400 Fax: (215) 254-3400
Office Hours: M-F 9:00-5:00

WASHINGTON, DC OFFICE
1105 Longworth House Office Building, Washington, DC 20515
Phone: (202) 225-4001 Fax: (202) 225-5392
Office Hours: M-F 9:00-5:00 (6:00 PM when the House is in session)
Appendix

Additional Inflation Reduction Act tax incentives to address climate change
## Energy tax credits

<table>
<thead>
<tr>
<th>Tax Credit</th>
<th>Who can claim</th>
<th>Purpose</th>
<th>Amount</th>
<th>Phaseout</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Production Tax Credit</strong></td>
<td>- Businesses - Tax-exempt entities like state/local govts. &amp; nonprofits (direct pay or credit transfer)</td>
<td>per kilowatt-hour (kWh) tax credit for electricity generated by solar and other qualifying tech for first 10 years of system's operation; reduces federal income tax liability; may be adjusted annually for inflation</td>
<td>Base rate: 0.5¢/kWh Bonus rate: 2.5¢/kWh if labor requirements (prevailing wages and apprenticeship) are met Add’l 10% bonus if meets domestic content requirements or placed in service in energy community</td>
<td>2022-2032 Technology-neutral beginning in 2025</td>
</tr>
<tr>
<td><strong>Investment Tax Credit</strong></td>
<td>- Businesses - Tax-exempt entities</td>
<td>Tax credit for a percentage of the solar system installation cost</td>
<td>Base credit: 6% Bonus credit: 30% if labor requirements met Add’l bonus for domestic content or energy community</td>
<td>2022-2032 Technology-neutral beginning in 2025</td>
</tr>
<tr>
<td><strong>Advanced manufacturing production credit</strong></td>
<td>- Clean energy manufacturers - Tax-exempt entities</td>
<td>Per-unit tax credit for each clean energy component domestically produced &amp; sold across the supply chain Tied to mass, watt-capacity, sales price, or production cost of component See §45X for credit amounts for each type of eligible component</td>
<td>2023-2029: full 2030: 75% of the full unit credit 2031: 50% of the full unit credit 2032: 25% of the full unit credit</td>
<td></td>
</tr>
<tr>
<td><strong>Advanced energy project credit</strong></td>
<td>- Clean energy manufacturers - Tax-exempt entities</td>
<td>Capped, competitive tax credit for investing in property designed to produce or recycle advanced energy components Meets labor requirements: 30% Does not meet: 6%</td>
<td>Treasury to allocate $10 billion to projects in 2023 or later; at least $4 billion must go to energy communities</td>
<td></td>
</tr>
<tr>
<td>Tax Credit</td>
<td>Who can claim?</td>
<td>Purpose</td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>---------------------------------</td>
<td>-------------------------------------------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carbon sequestration credit §45Q</td>
<td>Corporations, Tax-exempt entities</td>
<td>Tax credit for owning or physically/contractually using equipment to capture carbon oxide from an industrial facility or the atmosphere</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Varies based on: amount of carbon oxide captured &amp; sequestered, calculated by metric ton + bonus if prevailing wage requirements met</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Phaseout: 2022-2032</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zero-emission nuclear</td>
<td>Corporations, Tax-exempt entities</td>
<td>Tax credit for electricity produced at qualified existing nuclear facilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Base rate: .3 cents/kWh Bonus: 1.5 cents/kWh if prevailing wage/apprenticeship requirements met</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Phaseout: 2022-2032</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clean hydrogen §45V</td>
<td>Corporations, Tax-exempt entities</td>
<td>Tax credit for clean hydrogen production</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td># kilograms of clean hydrogen x available credit rate x applicable rate + bonus if prevailing wage/apprenticeship requirements met</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Phaseout: 2022-2032</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sustainable Aviation Fuel (SAF)</td>
<td>Corporations</td>
<td>Tax credit to spur domestic SAF and help close significant price gap between petroleum and sustainable fuels</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1.25 per gallon plus $0.01 for each percentage point by which lifecycle GHG emissions reduction (compared to petroleum-based jet fuel) exceeds 50%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Phaseout: 2022-2024</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# Energy tax credits (cont.)

<table>
<thead>
<tr>
<th>Tax Credit</th>
<th>Who can claim?</th>
<th>Purpose</th>
<th>Amount</th>
<th>Phaseout</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alternative Fuel Vehicle Refueling Property</td>
<td>Corporations</td>
<td>Tax credit for cost of installing alternative fuel vehicle refueling</td>
<td>Base credit: 6% Credit limit: $100,000 Bonus credit: 30% if prevailing wage requirements met</td>
<td>2022-2032</td>
</tr>
<tr>
<td></td>
<td>Tax-exempt entities</td>
<td>property at a business or private residence - only in low-income or rural census tract</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clean Fuel Production</td>
<td>Corporations</td>
<td>Technology-neutral clean fuel credit for fuels with lifecycle greenhouse gas emissions at least 25% the current national average and produced &amp; sold in the U.S. Must be transportation grade but can be used in other settings including residential applications</td>
<td>Tied to the lifecycle greenhouse gas emissions of the fuel.</td>
<td>2022-2028</td>
</tr>
<tr>
<td></td>
<td>Tax-exempt entities</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Production Tax Credit (PTC) extension
Section 45

- The PTC accelerates U.S. manufacturing of solar panels, wind turbines, batteries, and critical minerals processing in the U.S. by providing a tax credit to support electricity generated by renewable energy sources:
  - Solar, wind, geothermal, hydropower, landfill gas (LFG), biomass, municipal solid waste resources, marine and hydrokinetic

- The IRA extends this credit through 2024, then the PTC will transition to technology-neutral
  - Base credit will be 0.3 cents per kWh, with a bonus credit of 1.5 cents per kWh (credit multiplied by five) if prevailing wage and apprenticeship requirements are met.
  - Corporate taxpayers will be eligible for a bonus 10 percent PTC if certain domestic content requirements are met and/or if the project is in an energy community
  - Limited direct pay option available allowing non-taxable entities to directly monetize this credit
  - Credits can be transferred
The ITC supports building new facilities that manufacture clean technologies, including commercial, utility, and residential solar projects plus energy storage.

The updated ITC will cut the cost of installing residential rooftop solar by 30% or more than $7,500 for an average system.

By helping Americans get solar on their roofs, these tax credits will help millions more families unlock an additional average savings of $9,000 on their electricity bills over the life of the system.

The IRA extends the investment tax credit (ITC) for solar energy property and most other ITC-eligible property until the end of 2024 -- then, like the PTC, the ITC will transition to technology-neutral in 2025.
SUPPLEMENTAL INFO ON THE

Carbon sequestration credit

Section 45Q

- Carbon capture and sequestration (CCS) technologies help reduce greenhouse gas (GHG) emissions from coal- and natural-gas-fired power plants and other large industrial sources.

- This tax credit for carbon oxide sequestration will incentivize investment in carbon capture and sequestration.

- Extends the carbon sequestration credit for facilities that begin construction before 2033.

- Provides an enhanced credit for direct air capture (DAC) and lowers carbon capture threshold requirements.

- Available for direct pay for first five years; credits are transferable.

- Like PTC and ITC, there will be a bonus credit when prevailing wage and apprenticeship requirements are met.
SUPPLEMENTAL INFO ON THE
Advanced Manufacturing Production Credit
Section 45X

- New credit through 2032 for producing clean energy components such as solar photovoltaic (PV) cells, wind energy components and battery cells
- Applies on a per-unit basis, i.e., credit for each clean energy component domestically produced and sold by a manufacturer
- Available for direct pay for the first five years; credits are also transferable
- Generally subject to phase out beginning in 2029
- Amount will vary depending on the applicable eligible component (see chart)

<table>
<thead>
<tr>
<th>Component</th>
<th>Credit Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thin film PV cell</td>
<td>$0.04/watt</td>
</tr>
<tr>
<td>Crystalline PV cell</td>
<td>$0.04/watt</td>
</tr>
<tr>
<td>PV wafer</td>
<td>$12/square meter</td>
</tr>
<tr>
<td>Solar grade polysilicon</td>
<td>$3/kilogram</td>
</tr>
<tr>
<td>Polymeric backsheet</td>
<td>$0.40/square meter</td>
</tr>
<tr>
<td>Solar module</td>
<td>$0.07/watt</td>
</tr>
<tr>
<td>Wind energy component</td>
<td>Offshore wind vessel – 10 percent of vessel sales price; All other – applicable amount (e.g., $0.02 in the case of a blade)/watt</td>
</tr>
<tr>
<td>Torque tube</td>
<td>$0.87/kilogram</td>
</tr>
<tr>
<td>Structural fastener</td>
<td>$2.28/kilogram</td>
</tr>
<tr>
<td>Inverter</td>
<td>Applicable amount (e.g., $0.25 for central inverter)/watt</td>
</tr>
<tr>
<td>Electrode active materials</td>
<td>10 percent cost of production</td>
</tr>
<tr>
<td>Battery cell</td>
<td>$35/kWh</td>
</tr>
<tr>
<td>Battery module</td>
<td>With limitations, $10 ($45 if module does not use battery cells)/kWh</td>
</tr>
<tr>
<td>Applicable critical mineral</td>
<td>10 percent cost of production</td>
</tr>
</tbody>
</table>
Supplemental Info on the Advanced Energy Project Credit

Section 48C

tax credit for businesses that invest in property designed to be used to:

- produce energy from renewable sources (solar, wind, geothermal)
- produce electric vehicles (fuel cells, microturbines, energy storage systems)
- conserve energy
- capture or sequester greenhouse gases

- e.g., building or expanding a factory to make solar panels or wind turbines
- now includes facilities that recycle advanced energy components such as wind turbine blades or solar panels.

allocated tax credit (i.e., will be allocated on a competitive basis) -- of $10 billion

  - at least $4 billion must go to energy communities for projects that have not been allocated a 48C credit before the enactment of the Inflation Reduction Act

- base credit of 6 percent, with a bonus credit available (base credit multiplied by five) if prevailing wage and apprenticeship requirements are met