Federal Energy Resource Guide

JEANNE SHAHEEN

U.S. SENATOR *for* NEW HAMPSHIRE

Dear Friend,

With passage of the Bipartisan Infrastructure Law and Inflation Reduction Act, Congress made historic investments in a cleaner, more reliable and more affordable energy future.

We're already seeing results.

- More than **3.4 million American families** have taken advantage of tax credits provided by the Inflation Reduction Act to make home energy improvements that can lower monthly bills and make homes more comfortable.
- Over the past several years, clean energy employment has grown by more than 400,000 jobs. Small businesses are responsible for most clean energy jobs, with **47% of clean energy workers at companies with fewer than 50 employees** and 85% at companies with fewer than 500 employees.
- More than **7,500 rural small businesses and farms have benefitted** from federal funding for renewable energy projects or energy efficiency upgrades that will lower energy bills by an average of $25,000 annually for recipients.
- New Hampshire joined a five-state coalition awarded **$450 million to boost adoption of cold climate heat pumps** in New England.

These landmark laws put the U.S. on track to reduce emissions by 40 percent by 2030 — essential progress in our efforts to prevent the worst effects of climate change.

I'm proud to have helped negotiate the Bipartisan Infrastructure Law, which is delivering transformative funding for weatherization and clean energy projects across New Hampshire, bolstering the electric grid and investing in our clean energy workforce. I was also proud to help pass the once-in-a-generation climate law, the Inflation Reduction Act, and I'm eager to help more Granite Staters benefit from these laws.

In this updated resource guide, I am pleased to share information on some of the particularly beneficial incentives available for Granite Staters. This resource guide is intended to provide a brief overview of available clean energy incentives with links to more information about eligibility and what types of energy improvements qualify.

These are just a few of my efforts to promote investments in clean energy, lower energy costs for consumers and reduce global emissions. The benefits to New Hampshire will be long-lasting — from more jobs to lower energy bills and assistance to make energy efficient updates to homes and businesses. The far-reaching impacts of these laws and other actions from Congress will create economic opportunities for Granite Staters to participate and lead our clean energy future. I'm proud to welcome such transformative investments to New Hampshire and hope you find this resource guide helpful.

Sincerely,

Jeanne Shaheen

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Clean Energy Incentives for Individuals

The Residential Clean Energy Credit (Section 25D): The Inflation Reduction Act allows consumers to claim a credit for up to 30% of the costs of residential energy efficient property, such as the installation of solar.

How much you can save:

- The credit is for up to 30% of project costs and can be claimed in the year that the project is finished.

Qualifying Projects: Clean energy projects eligible for the credit include solar electric projects, solar water heating projects, fuel cell projects, small wind energy projects, geothermal heat pump projects, biomass fuel projects and battery storage.

Visit **www.irs.gov/credits-deductions/residential-clean-energy-credit** for further details on how you can qualify.

The Energy Efficient Home Improvement Credit (Section 25C): The Inflation Reduction Act allows consumers to claim a credit for up to 30% of the cost of qualified energy efficiency improvements and expands the credit to cover home energy audits.

How much you can save:

- The credit has a total annual cap up to $1,200 per year, except heat pumps (cap up to $2,000).

Qualifying Improvements: The credit applies to heat pumps, energy-efficient windows, energy-efficient exterior doors, insulation and upgrading breaker boxes to accommodate additional electric load. Certain improvements must meet applicable Energy Star requirements. The upgrade costs for appliances include both equipment, installation and labor costs.

Visit **www.irs.gov/credits-deductions/energy-efficient-home-improvement-credit** for further details on how you can qualify.

High Efficiency Electric Home Rebates
The Inflation Reduction Act provides $4.5 billion for states to establish direct rebate programs for low- and moderate-income consumers who install new, efficient electric appliances. New Hampshire is eligible for $34.7 million in federal funding, and the New Hampshire Department of Energy is in the process of designing and establishing the program.

How much you can save:

- Low-income households may be eligible for 100% of electrification project costs up to $14,000.
- Moderate-income households may be eligible for 50% of costs up to $14,000.
- The program can extend rebates to multifamily buildings in which at least 50% of residents are low- or moderate-income.

Qualifying Appliances: The program may cover heat pumps for space heating and cooling, heat pump water heaters, electric stoves and cooktops, heat pump clothes dryers and measures such as upgrading circuit panels, insulation, air sealing, ventilation and wiring. Project costs cover both purchase and installation costs.

Visit **www.energy.nh.gov/funding-opportunities/funding-opportunities-homeowners/home-electrification-and-appliance-rebates** for more information on the status of this program in New Hampshire.

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> Visit **www.energy.nh.gov/funding-opportunities/funding-opportunities-homeowners/home-electrification-and-appliance-rebates** for more information on the status of this program in New Hampshire.

Home Efficiency Rebates Program: The Inflation Reduction Act provides funding for states to establish home energy efficiency rebate programs for homeowners who undertake whole home energy efficiency upgrades. New Hampshire is eligible for $34.7 million for this program, and the New Hampshire Department of Energy is in the process of designing and establishing the program.

How much you can save:

- Low- and moderate-income homeowners may be eligible for up to $4,000 of the project cost for energy savings of at least 20% or up to $8,000 for energy savings of at least 35%.
- Other building owners may be eligible for up to $2,000 per multifamily unit with energy savings of at least 20% (up to $200,000 per building) or up to $4,000 per multifamily unit with energy savings of at least 35% (up to $400,000 per building).
- The program extends rebates to multifamily buildings in which at least 50% of residents are low- or moderate-income.

Qualifying Appliances: The projects eligible for the rebate are based on actual energy performance savings. The rebate includes costs associated with work performed and the equipment needed to install upgrades, such as insulation or HVAC installations.

> Visit **www.energy.nh.gov/funding-opportunities/funding-opportunities-homeowners/home-efficiency-rebates-program** for more information on the status of this program in New Hampshire.

Low Income Home Energy Assistance Program (LIHEAP): LIHEAP provides financial assistance to low-income households to afford their energy bills. Fuel assistance benefits are a grant and do not have to be paid back. Fuel assistance benefits range from $100 to $2,177, depending on household income and energy costs.

Energy efficiency improvements save families money on monthly energy bills, make homes more comfortable and reduce indoor air pollution.

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Weatherization Assistance Program: The Bipartisan Infrastructure Law provided an additional $18.3 million for weatherization assistance in New Hampshire. Weatherization enables low-income families to reduce their energy consumption by making their homes more energy efficient.

Visit **www.capnh.org** to find a community action program near you and to apply for fuel assistance and weatherization assistance.

The Clean Vehicle Credit (Section 30D and 25E): Consumer tax credits available at the time of purchase for individuals to buy qualifying new clean vehicles (Sec. 30D) or used clean vehicles (Sec. 25E).

How much you can save:

- New Cars: Up to $7,500. (Note this credit is available for those with incomes below $300,000 for joint filers, $225,000 for head-of-household filers and $150,000 for single filers)
- Used Cars: Up to $4,000 (Note this credit is available for those with incomes below $150,000 for joint filers, $112,500 for head-of-household filers and $75,000 for single filers)

Qualifying Vehicles:

- New Vehicles: The new vehicle credit is limited to sedans with a manufacturer's suggested retail price (MSRP) of up to $55,000 and trucks and SUVs with an MSRP of $80,000 or less.
- Used Vehicles: The credit can be used for clean non-commercial vehicles sold for $25,000 or less and older than two years, including electric vehicles and plug-in hybrids.

Visit **www.fueleconomy.gov/feg/taxcenter.shtml** for information on requirements and a list of vehicles that may be eligible. Clean Vehicle Tax Credits must be initiated and approved at the time of sale.

Alternative Fuel Vehicle Refueling Tax Credit (Section 30C): The Inflation Reduction Act provides a tax credit for alternative fuel vehicle refueling and charging infrastructure in low-income and rural areas.

How much you can save:

- If you install qualified vehicle refueling and recharging infrastructure at your home, including electric vehicle charging equipment, you may be eligible for a credit of up to $1,000.

Qualifying Vehicles:

Visit **www.irs.gov/credits-deductions/alternative-fuel-vehicle-refueling-property-credit** for more information on the tax credit.

Energy efficiency improvements save families money on monthly energy bills, make homes more comfortable and reduce indoor air pollution.

Visit *www.cleanenergy.gov* to learn more about how you can save!

For information on ratepayer rebates available in New Hampshire, visit *www.NHSaves.com*.

For help navigating federal programs, please contact Senator Shaheen's Manchester office at 603-647-7500.

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Clean Energy Tax Incentives for Individuals

The Inflation Reduction Act of 2022 ("IRA") makes several clean energy tax credits available to individuals.
IRS.gov/CleanEnergy

	Tax Provision	Description
Vehicles - IRS.gov/CleanVehiclesv	**Credit for New Clean Vehicles** (§ 30D)	**For buyers of new clean vehicles that meet certain requirements, as well as buyer income and manufacturer suggested retail price limits. Learn more and see eligible vehicles at Fuel Economy.gov** **Credit Amount:** Up to $7,500 for qualifying vehicles, which can be applied to the purchase price of the vehicle starting January 1, 2024. [1]
	Credit for Previously Owned Clean Vehicles (§25E)	**For buyers of certain previously-owned clean vehicles** sold in the first transfer after 12/31/22 for $25,000 or less. Subject to buyer income limits. Vehicles must be at least 2 model years old, be purchased from a registered dealer, and buyers must not have been allowed a 25E credit in the 3-year period prior to the sale of the qualifying vehicle. Learn more and see eligible vehicles at Fuel Economy.gov **Credit Amount:** The lesser of $4,000 or 30% of sale price, which can be applied to the purchase price of the vehicle starting January 1, 2024.[1]
	Alternative Fuel Vehicle Refueling Property Credit (§ 30C) *Includes Electric Vehicle Charging Equipment*	**For alternative fuel vehicle refueling and charging property, including home electric vehicle charging stations, located in low-income and non-urban areas.** Qualified fuels include electricity, ethanol, natural gas, hydrogen, and biodiesel. **Credit Amount:** 30% of the cost of hardware and installation up to $1,000 for individuals; for businesses, 6% of basis and can increase to 30% if PWA is met.[2]
Home Energy – IRS.gov/HomeEnergy	**Energy Efficient Home Improvement Credit** (§ 25C) *See page 2 for more details.*	**Provides a tax credit for energy-efficiency improvements of residential homes** **Credit Amount:** 30% of cost, with limits for each type of improvement and total per year. To qualify, home improvements must meet energy efficiency standards. They must be new systems and materials. Eligible expenses include efficient heating and cooling equipment, windows, doors, heat pumps, insulation and air sealing materials. See page 2 for more information and annual limits.
	Residential Clean Energy Installation Credit (§25D)	**Provides a tax credit for the purchase of residential clean energy equipment, including battery storage with capacity of at least 3 kWh.** These expenses may qualify if they meet certain energy efficiency requirements: • Solar, wind, and geothermal power generation • Solar water heaters • Fuel cells • Battery storage **Credit Amount:** 30% of cost of equipment through 2032; 26% in 2033; 22% in 2034.

Notes:

The information in this document may be subject to change as guidance is issued or finalized. For all IRA clean energy tax credits, please see IRS.gov/CleanEnergy for further details and eligibility requirements.

[1] Starting January 1, 2024, the amount of a new clean vehicle or previously owned clean vehicle tax credit can be transferred to a dealer for an equivalent reduction in the eligible vehicle's sales price, deemed down payment, or cash.

[2] Credit is multiplied by 5 (from 6% to 30%) for projects that meet prevailing wages and apprenticeship requirements or other requirements.

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Other Energy Efficiency Upgrades

Equipment Type	Tax Credit Available For 2023-2032 Tax Years
Home Clean Electricity Power Generation and Storage Products	
Solar Panels	30% of cost
Fuel Cells	
Wind Turbine	
Battery Storage	
Heating, Cooling, and Water Heating	
Heat pumps (note: heat pumps also provide air conditioning)	30% of cost, up to $2,000 per year
Heat pump water heaters	
Biomass stoves	
Geothermal heat pumps	30% of cost
Solar (water heating)	
Efficient air conditioners*	30% of cost, up to $600
Efficient heating equipment*	
Efficient water heating equipment*	30% of cost, up to $600
Other Energy Efficiency Upgrades	
(Electric panel or circuit upgrades for new electric equipment*	30% of cost, up to $600
Building Envelope (including insulation materials and air sealing)*	30% of cost
Windows, including skylights*	30% of cost, up to $600
Exterior doors*	30% of cost, up to $500 for doors (up to $250 each)
Home Energy Audits*	30% of cost, up to $150
Electric Vehicle Charging Equipment	
Home Electric Vehicle Charger	30% of cost, up to $1,000

Notes:

* Subject to the Energy Efficient Home Improvement credit's total annual credit limit of $1,200. There is a separate annual $2,000 limit for heat pumps. Credit capped at $600 for "energy property," e.g. efficient heating and cooling equipment; $600 for windows; $250 per door, $500 total for doors; $2,000 for heat pumps; $1,200 for qualified energy efficiency improvements to the building envelope, including insulation and air sealing. $150 credit for home energy audits.

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Clean Energy Incentives for Businesses

Energy Efficient Commercial Buildings Deduction (Section 179D): The Inflation Reduction Act provides a tax deduction for energy efficiency improvements to commercial buildings, such as improvements to the building envelope, interior lighting or heating, cooling, ventilation and hot water systems. Projects that meet prevailing wage and apprenticeship requirements are eligible for a bonus credit.

How much you can save:

- $0.50 per square foot for a building with 25% energy savings
- Plus $0.02 per square foot for each percentage point of energy savings above 25%
- Up to a maximum of $1.00 per square foot for a building with 50% energy savings

Visit **www.irs.gov/credits-deductions/energy-efficient-commercial-buildings-deduction** for more information on building eligibility and the deduction.

Commercial Clean Vehicle Credit (Section 45W): Under the Inflation Reduction Act, businesses and tax-exempt organizations that buy a qualified commercial clean vehicle may be eligible for a clean vehicle tax credit.

How much you can save:

- Credits are based on the gross vehicle weight rating, engine type and cost comparison with conventional vehicles. The maximum credit is $7,500 for vehicles weighing less than 14,000 pounds (e.g. cars, vans) and up to $40,000 for those weighing 14,000 pounds or more (e.g. buses and semi-trucks).
- There is no limit of the number credits your business can claim.

Visit **www.irs.gov/credits-deductions/commercial-clean-vehicle-credit** for more information on the tax credit and the index of qualified manufacturers.

Alternative Fuel Vehicle Refueling Tax Credit (Section 30C): The Inflation Reduction Act provides a tax credit for alternative fuel vehicle refueling and charging infrastructure in low-income and rural areas. Alternative fuels include electricity, ethanol, natural gas, hydrogen, biodiesel and others.

How much you can save:

- Businesses can claim 6% of the cost, up to $100,000. A bonus is available for projects meeting prevailing wage and apprenticeship requirements.

Visit **www.irs.gov/credits-deductions/alternative-fuel-vehicle-refueling-property-credit** for more information on the tax credit.

Investment Tax Credit (ITC): The Inflation Reduction Act provides a tax credit for investment in renewable energy projects like solar, fuel cells, geothermal, small wind, energy storage, biogas, microgrid controllers, as well as combined heat and power properties. Beginning in 2025, this credit will transition to a Clean Electricity Investment Tax Credit that is technology neutral.

How much you can save:

- Up to 30% of the cost of clean energy generation and qualified energy storage if prevailing wage and apprenticeship requirements are met. Bonus credits are available based on domestic content and in certain locations.

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Production Tax Credit (PTC): The PTC is a per kilowatt-hour tax credit for electricity generated by wind, biomass, geothermal, solar and other qualifying renewable technologies for the first 10 years of a system's operation. Generally, project owners cannot claim both the ITC and PTC for the same property. Beginning in 2025, this credit transitions to the Clean Electricity Production Tax Credit.

How much you can save:

- PTC of up to 2.75 cents per kilowatt of clean energy generation. Bonus credits are available based on domestic content and in certain locations.

Visit **www.epa.gov/green-power-markets/summary-inflation-reduction-act-provisions-related-renewable-energy** for more information.

New Energy Efficient Homes Credit (Section 45L): Homebuilders are eligible for a tax credit for construction of new energy efficient homes that meet certain criteria. A bonus is available for multifamily home construction that meets prevailing wage requirements.

How much you can save:

- $2,500 for new homes meeting Energy Star standards
- $5,000 for certified zero-energy ready homes
- $500 per unit for Energy Star multi-family home construction
- $1,000 per unit for zero-energy ready muti-family home construction

Visit **www.irs.gov/credits-deductions/credit-for-builders-of-energy-efficient-homes** to learn more.

Rural Energy for America Program (REAP): The Inflation Reduction Act invested $2 billion in the Rural Energy for America Program, which provides loans and grant funding to agricultural producers and rural small businesses for renewable energy systems or to make energy efficiency improvements.

How much you can save:

- Up to 50% of the project cost, with a maximum of $500,000 for energy efficiency projects and $1 million for renewable energy systems

Visit **www.rd.usda.gov/inflation-reduction-act/rural-energy-america-program-reap** for more information.

For financing and business advising, contact the New Hampshire Small Business Administration Office *(www.sba.gov/district/new-hampshire)* **or Small Business Development Center** *(www.nhsbdc.org)***.**

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Clean Energy Tax Incentives for Businesses

The Inflation Reduction Act of 2022 ("IRA") makes several clean energy tax credits available to businesses.
IRS.gov/CleanEnergy

Energy Generation & Carbon Capture

Tax Provision	Description
Production Tax Credit for Electricity from Renewables (§ 45, pre-2025)	**For electricity sold to an unrelated person and produced from the following renewable sources:** wind, biomass, geothermal, solar, landfill and trash, hydropower, and marine and hydrokinetic energy. **Credit Amount (for 2023):** 0.55 or 0.03 cents (depending on source) per kilowatt hour (kW) for facilities placed in service (PIS) after 12/31/21; 2.8 or 1.4 cents (depending on source) per kW for facilities PIS before 1/1/22; 0.55 cents per kW for marine and hydrokinetic for facilities PIS after 12/31/22. [1,2,3,7]
Clean Electricity Production Tax Credit (§ 45Y, 2025 onwards)	**Technology-neutral tax credit for production of clean electricity.** Replaces § 45 for facilities that are placed in service after December 31, 2024. **Credit Amount:** 0.3 cents/kWh; 1.5 cent/kWh if PWA requirements are met. [1,2,3,6,7]
Investment Tax Credit for Energy Property (§ 48, pre-2025)	**For investment in renewable energy projects** including fuel cell, solar, geothermal, small wind, energy storage, biogas, microgrid controllers, and combined heat and power properties. **Credit Amount:** Generally, 6% of qualified investment (basis); 30% if PWA requirements are met. [1,4,5,6,8]
Clean Electricity Investment Tax Credit (§ 48E, 2025 *onwards*)	**Technology-neutral tax credit for investment in facilities that generate clean electricity** and qualified energy storage technologies. Replaces § 48 for facilities that begin construction and are placed in service after 2024 **Credit Amount:** 6% of qualified investment (basis); 30% if PWA requirements met [1,4,5,6]
Low-Income Communities Bonus Credit (§ 48(e), 48E(h)) **Application required**	**Additional investment tax credit for small-scale solar and wind (§ 48(e)) or clean electricity (§48E(h)) facilities** (<5MW net output) on Indian land, federally subsidized housing, in low-income communities, and benefit low-income households. Allocated through an application process. **Credit Amount:** 10 or 20 percentage point increase on base investment tax credit
Credit for Carbon Oxide Sequestration (§ 45Q)	**Credit for carbon oxide sequestration** coupled with permitted end uses in the United States. **Credit Amount:** $12-36 per metric ton of qualified carbon oxide captured and sequestered, used as a tertiary injectant, or utilized, depending on the specified end-use; $60-$180 per metric ton if PWA requirements met.[1,7]
Zero-Emission Nuclear Power Production Credit (§ 45U)	**For electricity from nuclear power facilities.** Facilities in operation prior to August 16, 2022. **Credit Amount (for 2023):** 0.3 cents/kWh (reduced rate for larger facilities); 1.5 cent/kWh if PW requirements met [1,7]

Clean Vehicles

Tax Provision	Description
Credit for Qualified Commercial Clean Vehicles (§ 45W)	**For purchasers of commercial clean vehicles.** Qualifying vehicles may include passenger vehicles, buses, ambulances, and certain other vehicles, as well as certain mobile machinery. **Credit Amount:** Up to $40,000 (max $7,500 for vehicles <14,000 lbs.)

Manufacturing

Tax Provision	Description
Advanced Energy Project Credit (§ 48C) **Application required**	**For investments in advanced energy projects.** A total of $10 billion will be allocated, not less than $4 billion of which will be allocated to projects in certain energy communities. **Credit Amount:** 6% of taxpayer's qualified investment; 30% if PWA requirements are met. [1]
Advanced Manufacturing Production Credit (§ 45X)	**Production tax credit for domestic clean energy manufacturing** of components including solar and wind energy, inverters, battery components, and critical minerals. **Credit Amount:** Varies by type of eligible component

Commercial Energy

Tax Provision	Description
New Energy Efficient Homes Credit (§ 45L)	**Provides a tax credit for construction of new energy efficient homes Credit Amount:** $2,500 for new homes meeting Energy Star standards; $5,000 for certified zeroenergy ready homes. For multifamily, base amounts are $500 per unit for Energy Star and $1000 per unit for zero-energy
Energy Efficient Commercial Buildings Deduction (§ 179D)	**Provides a tax deduction for the cost of energy efficiency improvements to commercial buildings,** installed as part of the building envelope; interior lighting systems; or the heating, cooling, ventilation, and hot water systems. **Maximum Deduction Amount:** $0.50-$1 per square foot, depending on increase in efficiency, with deduction over three or four-year periods capped at $1 per square foot. Inflation adjusted. A new alternative deduction for energy efficient building retrofit property is also available.

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Fuels	**Clean Hydrogen Production Tax Credit** (§ 45V)	**For producing qualified clean hydrogen** at a qualified clean hydrogen production facility during the 10-year period beginning on the date the facility was originally placed in service. **Credit Amount:** $0.60/kg multiplied by the applicable percentage (20% to 100%, depending on lifecycle greenhouse gas emissions rate), amount increases if PWA is met [1,7]
	Clean Fuel Production Credit (§ 45Z, 2025 onwards)	**Technology neutral tax credit for domestic production of clean transportation fuels,** including sustainable aviation fuels, beginning in 2025* **Credit Amount:** $0.20/gallon ($0.35/gal for aviation fuel) multiplied by CO2 "emissions factor"; $1.00/gallon ($1.75/gal for aviation fuel) multiplied by CO2 "emissions factor" if PWA is met. [1,7]
	Biofuels Incentives (§ 40A)	**Extends tax credits for biodiesel and renewable diesel.** **Credit Amount:** $1.00/gallon for biodiesel and renewable diesel; $1.00 per gallon of biodiesel or renewable diesel used in a qualified mixture. Additional $0.10/gallon credit available for small Agri-biodiesel producers. In addition, there is a $1.00/gallon excise tax credit for biodiesel and renewable diesel mixtures.
	Biofuels Incentives (§ 40(b)(6)	**Retroactively extends second generation biofuel producer credit.** This credit previously expired on 12/31/21. The IRA extends this credit for production through 12/31/24. **Credit Amount:** $1.01 per gallon of second-generation biofuel, with a reduction for second generation biofuel that is alcohol.
	Alternative Fuel and Alternative Fuel Mixture Excise Tax Credits (§§ 6426(d) and (e) and 6427(e))	**Retroactively extends alternative fuel and alternative fuel mixture credits.** The credits previously expired on 12/31/21. The IRA extends these credits through 12/31/24. **Credit Amounts:** $0.50 per gallon of alternative fuel sold or used (§ 6426(d)); $0.50 per gallon of alternative fuel used in producing any alternative fuel mixture for sale or use in a trade or business (§ 6426(e)).
	Sustainable Aviation Fuel Credit (§ 40B)	**Provides a tax credit for the sale or use of sustainable aviation fuel (SAF)** that achieves a lifecycle greenhouse gas emissions re duction of at least 50% as compared with petroleum-based jet fuel. **Credit Amount:** $1.25/gallon of SAF. **Bonus Credit Amount:** Up to $0.50/gallon depending on lifecycle greenhouse gas emissions of SAF relative to petroleum-based jet fuel.

Notes:

The information in this document may be subject to change as guidance is issued or finalized. For all IRA clean energy tax credits, please see **IRS.gov/CleanEnergy** for further details and eligibility requirements.

[1] Credit is multiplied by 5 for projects that meet prevailing wages and apprenticeship requirements or other requirements under § 45(b)(6)(B). Apprenticeship requirements do not apply for §§ 45L and 45U. Under the one megawatt exception for the credits available under sections 45, 45Y, 48, and 48E, a facility that has a maximum net output of less than one megawatt of electrical energy (as measured in alternating current) may be eligible for the increased credit amount without satisfying the prevailing wage and apprenticeship requirements. The one-megawatt exception may also apply to qualified projects under section 48 with a maximum net output of less than one megawatt of thermal energy; and to energy storage technology under section 48E with a capacity of less than one-megawatt.

[2] Credit is increased by 10% if the project meets certain domestic content requirements.

[3] Credit is increased by 10% if the project is located in an energy community.

[4] Credit is increased by up to 10 percentage points for projects meeting certain domestic content requirements for steel or iron, and manufactured products.

[5] Credit is increased by up to 10 percentage points if located in an energy community.

[6] Section 168(e) provides favorable depreciation treatment for facilities or property qualifying for this tax credit. These facilities or property will be treated as a 5-year property for purposes of cost recovery, leaving them with lower taxable income in the earlier years of a clean energy investment.

[7] Credit is adjusted annually for inflation.

[8] See section 48 for more detail and applicable exceptions to the credit rate.

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Clean Energy Incentives for States, Municipalities and Nonprofits

In addition to the programs available for businesses above, nonprofit organizations and municipalities may also be eligible for various programs under the Inflation Reduction Act and Bipartisan Infrastructure Law.

Elective Pay: Tax-exempt organizations and certain other entities, such as state and local governments, can take advantage of certain clean energy tax credits even if they don't have taxable income to which the credits can be applied. For more information, visit **www.irs.gov/credits-deductions/elective-pay-and-transferability.**

Greenhouse Gas Reduction Fund: The Inflation Reduction Act created a $27 billion investment to mobilize financing and private capital for thousands of climate and clean energy projects. Of this funding, $7 billion is funding the Solar for All program that is providing more than $43.5 million for New Hampshire to support a comprehensive approach to bringing solar energy to those least able to afford it. In addition, $14 billion has been awarded through a National Clean Investment Fund to mobilize private capital and deliver accessible, affordable financing for clean energy projects nationwide. The remaining $6 billion has been awarded through a Clean Communities Investment Accelerator program to support funding and technical assistance for community lenders working in low-income and disadvantaged communities. See **www.epa.gov/greenhouse-gas-reduction-fund** for more details.

Climate Pollution Reduction Grant: This program provides nearly $5 billion in grants to states and local governments to develop and implement plans for reducing greenhouse gas emissions. The New Hampshire Department of Environmental Services received a $3 million planning grant and was selected as a part of a coalition of New England state agencies for a $450 million grant to accelerate the adoption of energy efficient heat pumps. For more information, visit **www.epa.gov/inflation-reduction-act/climate-pollution-reduction-grants**.

Technical Assistance for Building Codes: The Inflation Reduction Act provides $1 billion and the Bipartisan Infrastructure Law provided $225 million for states and local governments with the authority to adopt building energy codes to lead the way in decarbonizing new and existing residential and commercial buildings. Grants can be used to adopt, implement and enforce the latest energy codes. See **www.energy.gov/scep/technical-assistance-adoption-building-energy-codes** for additional information.

Clean School Bus Program: Under the Bipartisan Infrastructure Law, this program provides $5 billion to replace existing school buses with zero-emission and clean school buses. As of August 2024, New Hampshire had been awarded more than $33 million to fund rebates for school districts purchasing 117 new school buses and charging infrastructure. See **www.epa.gov/cleanschoolbus** for more details.

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Charging and Refueling Infrastructure Grant: The Bipartisan Infrastructure Law provides $2.5 billion over 5 years for grants to state and local governments to strategically deploy electric vehicle (EV) charging infrastructure and other alternative fueling infrastructure projects in urban and rural communities in publicly accessible locations. For more information, visit **www.transportation.gov/rural/grant-toolkit/charging-and-fueling-infrastructure-grant-program**.

National Electric Vehicle Refueling Program: The Bipartisan Infrastructure Law established this formula program, which provides New Hampshire Department of Transportation with $17 million to develop and implement a plan to expand EV charging infrastructure. See **www.fhwa.dot.gov/bipartisan-infrastructure-law/nevi_formula_program.cfm** for more information.

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Clean Energy Tax Incentives: Elective Pay Eligible Tax Credits

The Inflation Reduction Act of 2022 ("IRA") makes several clean energy tax credits available to businesses; tax-exempt organizations; state, local, and tribal governments; other entities; and individuals. The IRA also enables entities to take advantage of certain clean energy tax credits through its elective pay provision (also colloquially known as direct pay). Elective pay allows several types of entities, such as tax-exempts and governments, to treat the amount of certain credits as a payment against tax on their tax returns and as a result receive direct payments for certain clean energy tax credits.

	Tax Provision	Description
Energy Generation & Carbon Capture	**Production Tax Credit for Electricity from Renewables** (§ 45, pre-2025)	**For production of electricity from eligible renewable sources**, including wind, biomass, geothermal, solar, small irrigation, landfill and trash, hydropower, marine and hydrokinetic energy. **Credit Amount (for 2022):** 0.55 cents/kilowatt (kW); (1/2 rate for electricity produced from open loop biomass, landfill gas, and trash); 2.75 cents/kW if Prevailing Wage and Apprenticeship (PWA) rules are met [1,2,3,7]
	Clean Electricity Production Tax Credit (§ 45Y, 2025 onwards)	**Technology-neutral tax credit for production of clean electricity**. Replaces § 45 for facilities that begin construction and are placed in service after 2024. **Credit Amount:** Starts in 2025, consistent with credit amounts under section 45 [1,2,3,6,7]
	Investment Tax Credit for Energy Property (§ 48, pre-2025)	**For investment in renewable energy projects** including fuel cell, solar, geothermal, small wind, energy storage, biogas, microgrid controllers, and combined heat and power properties **Credit Amount:** 6% of qualified investment (basis); 30% if PWA requirements met [1,4,5,6,8]
	Clean Electricity Investment Tax Credit (§ 48E, 2025 onwards)	**Technology-neutral tax credit for investment in facilities that generate clean electricity** and qualified energy storage technologies. Replaces § 48 for facilities that begin construction and are placed in service after 2024 **Credit Amount:** 6% of qualified investment (basis); 30% if PWA requirements met [1,4,5,6]
	Low-Income Communities Bonus Credit (§ 48(e), 48E(h)) Application required	**Additional investment tax credit for small-scale solar and wind (§ 48(e)) or clean electricity (§48E(h)) facilities** (<5MW net output) on Indian land, federally subsidized housing, in low-income communities, and benefit low-income households. Allocated through an application process. **Credit Amount:** 10 or 20 percentage point increase on base investment tax credit [7]
	Credit for Carbon Oxide Sequestration (§ 45Q)	**Credit for carbon dioxide sequestration** coupled with permitted end uses in the United States. **Credit Amount:** $12-36 per metric ton of qualified carbon oxide captured and sequestered, used as a tertiary injectant, or used, depending on the specified end use; $60-$180 per metric ton if PWA requirements met.[1,7]
	Zero-Emission Nuclear Power Production Credit (§ 45U)	**For electricity from nuclear power facilities.** Facilities in operation prior to August 16, 2022. **Credit Amount (for 2023):** 0.3 cents/kWh (reduced rate for larger facilities); 1.5 cent/kWh if PW req's met [1,7]
Manufacturing	**Advanced Energy Project Credit** (§ 48C) Application required	**For investments in advanced energy projects.** A total of $10 billion will be allocated, not less than $4 billion of which will be allocated to projects in certain energy communities. **Credit Amount:** 6% of taxpayer's qualified investment; 30% if PWA requirements are met [1]
	Advanced Manufacturing Production Credit (§ 45X)	**Production tax credit for domestic clean energy manufacturing** of components including solar and wind energy, inverters, battery components, and critical materials. **Credit Amount:** Varies by component
Vehicles	**Credit for Qualified Commercial Clean Vehicles** (§ 45W)	**For purchasers of commercial clean vehicles**. Qualifying vehicles include passenger vehicles, buses, ambulances, and certain other vehicles for use on public streets, roads, and highways. **Credit Amount:** Up to $40,000 (max $7,500 for vehicles <14,000 lbs) [9]
	Alternative Fuel Vehicle Refueling Property Credit (§ 30C)	**For alternative fuel vehicle refueling and charging property**, located in low-income and non-urban areas. Qualified fuels include electricity, ethanol, natural gas, hydrogen, and biodiesel. **Credit Amount:** 6% of basis for businesses and can increase to 30% if PWA is met.
Fuels	**Clean Hydrogen Production Tax Credit** (§ 45V)	**For producing clean hydrogen** at a qualified, U.S.-based clean hydrogen production facility. **Credit Amount:** $0.60/kg multiplied by the applicable percentage (20% to 100%, depending on lifecycle greenhouse gas emissions), amount increases if PWA is met [1,7]
	Clean Fuel Production Credit (§ 45Z, 2025 onwards)	**Technology neutral tax credit for domestic production of clean transportation fuels**, including sustainable aviation fuels, beginning in 2025* **Credit Amount:** $0.20/gallon ($0.35/gal for aviation fuel) multiplied by CO2 "emissions factor"; $1.00/gallon ($1.75/gal for aviation fuel) multiplied by CO2 "emissions factor" if PWA is met [1,7]

Please see the notes on the next page or see IRS.gov/cleanenergy for more information.

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Notes:

The information in this document may be subject to change as guidance is issued or finalized. For all IRA clean energy tax credits, please see **irs.gov/cleanenergy** for further details and eligibility requirements.

[1] Credit is increased by 5 times for projects that pay prevailing wages and use registered apprentices. Apprenticeship requirements do not apply for §§ 45L and 45U. Prevailing wage and apprenticeship requirements do not apply to certain projects, including certain projects of less than 1 megawatt or those that began construction prior to January 29, 2023.

[2] Credit is increased by 10% if the project meets certain domestic content requirements for steel or iron, and manufac tured products.

[3] Credit is increased by 10% if located in an energy community.

[4] Credit is increased by up to 10 percentage points for projects meeting certain domestic content requirements for steel, iron, and manufactured products.

[5] Credit is increased by up to 10 percentage points if located in an energy community.

[6] Section 168(e) provides favorable depreciation treatment for facilities or property qualifying for this tax credit. These facilities or property will be treated as a 5-year property for purposes of cost recovery, leaving them with lower taxable income in the earlier years of a clean energy investment.

[7] Credit rate is adjusted annually for inflation.

[8] See section 48 for more detail and applicable exceptions to the credit rate.

[9] The entities eligible for elective pay of the commercial clean vehicle credit is a subset of the entities eligible for elective pay of other credits. In addition, starting January 1, 2024, the amount of a new clean vehicle or previously owned clean vehicle tax credit (but not a commercial clean vehicle credit) can be transferred to a dealer for an equivalent reduction in the eligible vehicle's sales price.

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