



TaxNewsFlash

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Notice 2023-18: Guidance on qualifying advanced energy project credit under section 48C

The U.S. Treasury Department and the IRS today provided guidance following the enactment of the “Inflation Reduction Act” (IRA) to establish a program to allocate credits for qualified investments in eligible qualifying advanced energy projects.

Today’s [Notice 2023-18](#) [PDF 271 KB] establishes the section 48C(e) program to allocate \$10 billion in credits (\$4 billion of which may only be allocated to projects located in certain energy communities census tracts) and provides initial program guidance.

Treasury and the IRS anticipate allocating \$4 billion of section 48C credits in the first allocation round, with approximately \$1.6 billion of these credits to be allocated to projects located in certain energy communities. Treasury and the IRS will allocate the remaining credits in future allocation rounds.

Today’s notice also provides the general rules for determining the section 48C credit, definitions of qualifying advanced energy projects, and the procedures for allocating the credits.

Treasury and the IRS will issue additional guidance by May 31, 2023, to provide more details regarding information applicants will be required to submit to request a credit allocation. Application materials cannot be submitted prior to the issuance of the additional guidance.

Read the related IRS release—[IR-2023-27](#) (February 13, 2023)

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