



# TaxNewsFlash

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## Application period for second year of environmental justice solar and wind capacity limitation program opening May 28

The U.S. Department of the Treasury and IRS today announced that applications for the 2024 program year for the “Low-Income Communities Bonus Credit program” under section 48(e)—which allocates 1.8 gigawatts in environmental justice solar and wind capacity limitation with respect to certain solar and wind facilities placed in service in connection with low-income communities—will open on May 28, 2024.

Read the Treasury [release](#)

The Treasury Department and IRS also announced that approximately 325 megawatts of available capacity will rollover to the 2024 program year. This will add to the annual 1.8 gigawatts of capacity for a total of 2.125 gigawatts of capacity available in 2024. The 2.125 gigawatts of capacity for the 2024 round will be allocated as follows by category:

- 800 MW for projects located in low-income communities
- 200 MW for projects located on Indian land
- 225 MW for projects located on qualified low-income residential building projects
- 900 MW for projects that are qualified low-income economic benefit projects

All applications submitted within the first 30 days (by June 27, 2024) will be treated as submitted on the same date and at the same time. Following the initial 30-day period, the Department of Energy (DOE) will continue to accept applications on a rolling basis.

### Background

The program, established under H.R. 5376 (commonly called the “Inflation Reduction Act of 2022” (IRA)), provides an increase of 10% or 20% to the investment tax credit for qualified solar or wind facilities in low-income communities.

The Treasury Department and IRS launched the program in February 2023 under Notice 2023-17, which provided initial program guidance for potential applicants for allocations of calendar year 2023 capacity limitation. Read [TaxNewsFlash](#)

Treasury and the IRS then published proposed regulations in June 2023, supplementing the guidance provided in Notice 2023-17 to outline the specific application procedures, additional allocation criteria, and applicable definitions, among other information, necessary to submit an application to request an allocation of the capacity limitation for calendar year 2023 under the program. Read [TaxNewsFlash](#)

The proposed regulations were finalized in August 2023, with the [final regulations](#) providing the four project categories under which facilities apply for an allocation, and the increase of either 10% or 20% associated with a project category. Treasury and the IRS also released [Rev. Proc. 2023-27](#) in August 2023, providing procedural and clarifying guidance applicable to the program. Read [TaxNewsFlash](#)

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