



TaxNewsFlash

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Notice 2024-45: Clean hydrogen production credit under section 45V, inflation adjustment factors and applicable amounts for 2023 and 2024

The [Internal Revenue Bulletin 2024-26](#) (dated June 24, 2024) includes Notice 2024-45 which provides the inflation adjustment factors for the clean hydrogen production credit under section 45V and the corresponding applicable amounts for calendar years 2023 and 2024.

The inflation adjustment factors and applicable amounts are used to determine the amount of the credit allowable under section 45V.

Notice 2024-45 provides the applicable amounts as follows.

For qualified clean hydrogen produced in calendar year 2023, the applicable amount determined under section 45V(b)(1) is the product of \$0.60 ($\$0.60 \times$ inflation adjustment factor of 1) and the applicable percentage, which depends on the life cycle greenhouse gas (GHG) emissions rate of the qualified clean hydrogen production process. For qualified clean hydrogen produced through a process that results in a lifecycle GHG emissions rate of:

- Not greater than 4 kilograms of CO₂e per kilogram of hydrogen, and not less than 2.5 kilograms of CO₂e per kilogram of hydrogen, the applicable amount is \$0.120
- Less than 2.5 kilograms of CO₂e per kilogram of hydrogen, and not less than 1.5 kilograms of CO₂e per kilogram of hydrogen, the applicable amount is \$0.150
- Less than 1.5 kilograms of CO₂e per kilogram of hydrogen, and not less than 0.45 kilograms of CO₂e per kilogram of hydrogen, the applicable amount is \$0.200
- Less than 0.45 kilograms of CO₂e per kilogram of hydrogen, the applicable amount is \$0.600

For qualified clean hydrogen produced in calendar year 2024, the applicable amount determined under section 45V(b)(1) is the product of \$0.622 ($\$0.60 \times$ inflation adjustment factor of 1.0364) and the applicable percentage, which depends on the lifecycle GHG emissions rate of the qualified clean hydrogen production process. For qualified clean hydrogen produced through a process that results in a lifecycle GHG emissions rate of:

- Not greater than 4 kilograms of CO₂e per kilogram of hydrogen, and not less than 2.5 kilograms of CO₂e per kilogram of hydrogen, the applicable amount is \$0.124

- Less than 2.5 kilograms of CO₂e per kilogram of hydrogen, and not less than 1.5 kilograms of CO₂e per kilogram of hydrogen, the applicable amount is \$0.156
- Less than 1.5 kilograms of CO₂e per kilogram of hydrogen, and not less than 0.45 kilograms of CO₂e per kilogram of hydrogen, the applicable amount is \$0.208
- Less than 0.45 kilograms of CO₂e per kilogram of hydrogen, the applicable amount is \$0.622

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