



# TaxNewsFlash

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## Proposed regulations: Guidance on environmental justice clean electricity capacity limitation program

The U.S. Treasury Department and IRS today released [proposed regulations](#) (REG-108920-24) providing guidance on the program under section 48E(h) to allocate environmental justice clean electricity capacity limitation established under H.R. 5376 (commonly called the “Inflation Reduction Act of 2022” (IRA)) for calendar years 2025 and succeeding years. The program provides an increase of 10% or 20% to the new clean electricity investment tax credit rate available under section 48E for taxpayers (or tax-exempt or government entities) that apply for and receive an allocation under the program.

The proposed regulations describe definitions and requirements that would be applicable for the program for calendar year 2025 and succeeding years. After finalizing those rules, the Treasury Department and IRS will provide the procedures for the 2025 program in a revenue procedure published in the Internal Revenue Bulletin (IRB). Procedures for future program years also will be provided in guidance published in the IRB. The Treasury Department and IRS expect that many of the procedural aspects of the program will be similar to the environmental justice solar and wind capacity limitation program under section 48(e) available for calendar years 2023 and 2024. Read [TaxNewsFlash](#)

The proposed regulations are proposed to apply to qualified facilities placed in service after December 31, 2024, and during tax years ending after the date the proposed regulations are finalized.

Comments on the proposed regulations, as well as requests to speak and outlines for topics to be discussed at the public hearing (scheduled for October 17, 2024, at 10:00 AM ET), are due by the date that is 30 days after the proposed regulations are published in the Federal Register (which is scheduled to be September 3, 2024). If no outlines are received by that date, the public hearing will be cancelled.

Read a related [Treasury release](#) (August 30, 2024)

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