

TaxNewsFlash

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Final regulations: Advanced manufacturing investment credit rules under sections 48D and 50

The U.S. Treasury Department and IRS today released [final regulations](#) (T.D. 10009) to implement the advanced manufacturing investment credit under section 48D established by H.R. 4346, “The CHIPS and Science Act of 2022,” to incentivize the manufacture of semiconductors and semiconductor manufacturing equipment within the United States.

The final regulations adopt with certain modifications [proposed regulations](#) issued in March 2023 to implement the credit under section 48D, along with applicable recapture rules under section 50. The final regulations provide the guidance around the eligibility requirements for the credit, and rules relating to a special 10-year credit recapture rule that applies if there is a significant transaction involving the material expansion of semiconductor manufacturing capacity in a foreign country of concern.

The regulations are effective on December 23, 2024, but generally apply to property that is placed in service after December 31, 2022, and during a tax year ending on or after October 23, 2024.

Note that proposed regulations regarding the elective payment election for the section 48D credit that were issued in June 2023 were finalized in a separate set of final regulations issued in March 2024. Read [TaxNewsFlash](#)

Read a related IRS release—[IR-2024-275](#) (October 22, 2024)

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