



TaxNewsFlash

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Final regulations: Definition of energy property and rules applicable to energy credit under section 48

The U.S. Treasury Department and IRS today released [final regulations](#) (T.D. 10015) relating to the energy credit under section 48, including rules for determining whether investments in energy property are eligible for the energy credit and reflecting certain amendments under H.R. 5376 (commonly called the “Inflation Reduction Act of 2022” (IRA)).

The final regulations adopt [proposed regulations](#) issued in November 2023, with modifications in response to the 350 written comments received on the proposed regulations, as described in the preamble to the final regulations. In addition to implementing amendments to section 48 under the IRA, the proposed regulations withdrew and repropounded portions of proposed regulations previously issued in August 2023 regarding the increased energy credit amount available if prevailing wage and registered apprenticeship (PWA) requirements are met, and supplemented proposed regulations issued in June 2023 with additional proposed rules regarding recapture of increased credit amounts under the PWA requirements in the case of transfers of credits under section 6418.

The final regulations are effective on December 12, 2024.

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