



TaxNewsFlash

United States

No. 2025-207

July 8, 2025

President Trump signs executive order on termination of clean electricity tax credits under sections 45Y and 48E

The White House on July 7, 2025, posted on its website an [executive order](#) directing the Secretary of the Treasury to “strictly enforce the termination of the clean electricity production and investment tax credits under under sections 45Y and 48E” for wind and solar facilities. Specifically, the executive order directs Treasury to take action within 45 days of enactment of the bill and indicates that it could issue new and revised guidance “to ensure that policies concerning the ‘beginning of construction’ are not circumvented, including by preventing the artificial acceleration or manipulation of eligibility and by restricting the use of broad safe harbors unless a substantial portion of a subject facility has been built.”

As background, the One Big Beautiful Bill Act (OB3) terminates the sections 45Y and 48E credits for wind and solar for facilities which do not begin construction within 12 months of enactment (by July 4, 2026) or are not placed in service by December 31, 2027.

For purposes of the prohibited foreign entity rules in OB3, the existing beginning of construction rules were codified, including Notice 2013-29 and Notice 2018-59. The existing notices have long been relied on in the industry to establish the beginning of construction date of wind and solar projects.

Additionally, the executive order directs the Department of the Interior to review and revise regulations that may favor wind and solar facilities over dispatchable energy sources. Both departments are required to report their findings and actions to the president within 45 days of the order.

Read the [White House fact sheet](#) (July 7, 2025).

kpmg.com/socialmedia



The information contained in TaxNewsFlash is not intended to be "written advice concerning one or more Federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader's knowledge on the matters addressed therein, and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG's Federal Tax Legislative and Regulatory Services Group at +1 202.533.3712, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)