

Section 45X: Advanced Manufacturing Production Credits

INTERNAL REVENUE CODE SECTION 45X PROVIDES A TAX CREDIT FOR COMPANIES THAT ARE IN THE BUSINESS OF PRODUCING CERTAIN COMPONENTS AND SELLING THEM TO THIRD-PARTY CUSTOMERS.



Eligible Components:

- Solar energy: Photovoltaic (PV) cells, PV wafer, solar grade polysilicon, polymeric backsheet, solar module
- Wind energy: blade, nacelle, tower, offshore wind foundation
- Torque tube, structural fastener, inverter
- Battery: electrode active materials, battery cell, battery module
- Applicable critical mineral: there are roughly 50 applicable minerals, including aluminum, antimony, barite, beryllium, and more.



Timeline & How to Claim:

- Components produced and sold after December 31, 2022 are eligible to receive the credit.
- Generally, credit amounts phase out for components sold after December 31, 2029 until December 31, 2032, except for critical minerals.
- Taxpayers can claim the credits in conjunction with filing their federal tax returns.



Tax Credit:

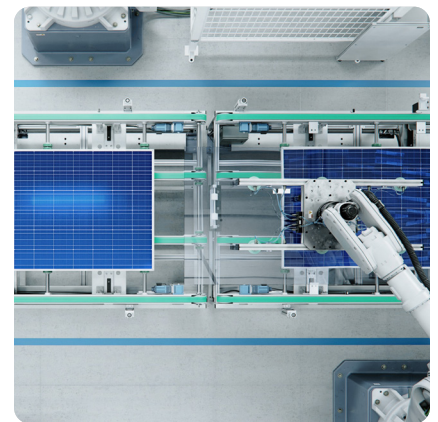
- Credit amounts vary based on the energy component. For example, an applicable critical mineral would receive 10% of the cost of the mineral.
- The credit may be elected to be directly paid or transferred to a third-party.
- If a taxpayer receives credits under Section 45X, it may not be eligible to receive other tax credits regarding the same project under Section 48.



How can Aprio help?

Our dedicated team can help you strategically maximize and obtain valuable tax incentives and support your company through the various stages, including:

- Scenario analysis to quantify potential tax credits & incentives
- Tax return compliance
- Preparation of Section 45X tax credit study
- Tax credit transfers or direct-pay support



About Aprio

Since 1952, clients throughout the U.S. and across more than 50 countries have trusted Aprio for guidance on how to achieve what's next. As a top 50, CPA-led business advisory firm, Aprio delivers advisory, assurance, tax, outsourcing and private client services to build value, drive growth, manage risk and protect wealth. With proven expertise and genuine care, Aprio serves individuals and businesses, from promising startups to market leaders alike.

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Are you ready for what's next? Contact our team to learn more:



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