

# Section 48: Energy Credits

INTERNAL REVENUE CODE SECTION 48 PROVIDES A TAX CREDIT FOR BUSINESSES THAT ARE INVESTING IN ENERGY-RELATED PROJECTS.



## Eligible Components:

- Equipment that uses solar energy to generate electricity, heat, cool, or illuminate a structure.
- Equipment using geothermal deposit to produce, distribute, or use energy.
- Qualified fuel cell property or qualified microturbine property
- Qualified small wind energy property
- Waste energy recovery property
- Energy storage technology
- Qualified biogas property
- Microgrid controllers



## Timeline & How to Claim:

- Generally eligible for construction beginning before January 1, 2025.
- Taxpayers can claim the credits in conjunction with filing their federal tax returns.



## Tax Credit:

- Up to 30% credit if prevailing wage and apprenticeship requirements are met.
- Up to 10% bonus credit for projects that used components manufactured in the United States.
- 10% bonus credit for projects located in the energy community.
- 10% to 20% bonus credit for projects located in low-income areas.
- The credits can be carried back, carried forward and elected to be transferred to third parties.



## 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 48 tax credit study
- Tax credit transfer 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 to maximize your ESG tax credits? Contact our team to learn more.



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