

# Section 48C: Qualifying Advanced Energy Project Credits

INTERNAL REVENUE CODE SECTION 48C PROVIDES TAX CREDIT ALLOCATIONS FOR BUSINESSES THAT INVEST IN ADVANCED ENERGY PROJECTS.



## Credit Allocation

Up to 30% of the cost of the project if the Wage and Apprenticeship Requirement is met and the credit can be transferred.



## Eligible Project Type Examples:

- ✓ Facilities producing, storing and refining renewable or low-emission energy
- ✓ Energy conservation technologies and CO2 capturing properties
- ✓ Electric, fuel cell, hybrid vehicles and related technology
- ✓ Projects designed to reduce GHG emissions by at least 20%



## 6-Step Timeline:

1. For round 1, the intended applicant must submit a concept paper to the Department of Energy (DOE) between May 31, 2023, and July 31, 2023.
2. Upon receipt of the concept paper, the IRS will notify the submission date of the Section 48C(e) application and provide comments.
3. The IRS will allocate the funds based on the DOE's ranking of the applications.
4. Upon acceptance of the Section 48C(e) application, the taxpayer has two years to notify the DOE that the certification requirements have been met.
5. Within two years of the DOE's certification that the requirements have been met, the taxpayer must notify the DOE that the project has been placed in service.
6. In case the taxpayer wishes to transfer the credit to another taxpayer, the IRS must be notified no later than 30 days prior to the successor's federal tax return due date (incl. extensions) of the year that the transfer occurs.



## How can Aprio help?

Aprio can help you gain clarity around your Section 48C eligibility, so you can begin claiming valuable tax savings. Our dedicated team can support your company through the various stages, including:

- ✓ The application process
- ✓ Certification requirement process
- ✓ Credit allocation and transfer requirements
- ✓ Tax return compliance



## 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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