



Advanced Energy Credit for Manufacturers (IRC 48C)

Overview

The Qualifying Advanced Energy Project Credit was enacted by the American Recovery and Reinvestment Act of 2009 on February 17, 2009, as section 48C of the Internal Revenue Code. This credit provides an investment tax credit of up to 30 percent of qualified investment in a qualifying advanced energy project, which is defined to be a project which establishes, expands or re-equips a manufacturing facility for the production of any of the following types of property:

- Property designed to be used to produce energy from the sun, wind, geothermal deposits, or other renewable resources;
- Fuel cells, microturbines, or an energy storage system for use with electric or hybrid-electric motor vehicles;
- Electric grids to support the transmission of intermittent sources of renewable energy, including storage of such energy;
- Property designed to capture and sequester carbon dioxide emissions;
- Property designed to refine or blend renewable fuels or to produce energy conservation technologies (including energy-conserving lighting technologies and smart grid technologies);
- New qualified plug-in electric drive motor vehicles, qualified plug-in electric vehicles, or components which are designed specifically for use with such vehicles, including electric motors, generators, and power control units; or
- Other advanced energy property designed to reduce greenhouse gas emissions as may be determined by the Secretary.

To qualify for this credit, a project **must** be certified in advance by the Internal Revenue Service. To obtain certification for projects, taxpayers must do the following:

- Apply in advance;
- Receive an allocation of a specific amount of credit from the Service;
- Sign an agreement with the Service agreeing to meet certain requirements;
- Request certification within 1 year after the credit was allocated and show that they have taken certain steps toward implementing their projects;
- Receive a certification letter from the Service; and
- Place the facility in service within 3 years after the date of certification.

Resources

Internal Revenue Code Section 48C (Title 26, United States Code, Section 48C).

Notice 2009-72 - details of how the program works.

Frequently Asked Questions

Fillable template of the agreement.

Fact Sheet: \$2.3 Billion in New Clean Energy Manufacturing Tax Credits

Section 48C Tax Credits Allocated January 7, 2010

Contact Us

You may send questions about the program to the IRS by fax at 713-209-3964. We will respond by fax or telephone. Please include your telephone and fax number in your message.

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