

FACT SHEET: Treasury, IRS Open Public Comment on Implementing the Inflation Reduction Act's Clean Energy Tax Incentives

The Inflation Reduction Act of 2022 represents the most significant legislation to invest in clean energy and address climate change in our nation's history. The Inflation Reduction Act puts President Biden's climate goals within reach while saving families money, creating good-paying jobs, and strengthening our nation's energy security. Of the Inflation Reduction Act's \$369 billion investment in addressing climate change, \$270 billion will be delivered through tax incentives, putting Treasury and the Internal Revenue Service (IRS) at the forefront of Inflation Reduction Act implementation.

On October 5, Treasury and the IRS issued a set of Notices requesting public comment on implementing key provisions. The Notices seek initial input from the public on specific questions, as well as requests for general comments. Stakeholders are encouraged to respond as soon as possible, ideally within 30 days of issuance (by November 4). Responses will inform Treasury and the IRS' implementation of this landmark legislation.

This fact sheet provides background on Treasury's implementation process and describes the Notices requesting public comment.

Guiding Principles

In implementing the historic climate and clean energy provisions of the Inflation Reduction Act, Treasury will be guided by three core principles:

- **Robust and Broad Public Engagement: Treasury will engage a broad spectrum of taxpayers, stakeholders, and communities to inform guidance and rulemaking.** As discussed in greater detail below, Treasury has begun the process of soliciting comments from the public on key provisions. Over the coming weeks, Treasury will be convening several initial stakeholder roundtables with industry, labor unions, climate and environmental justice advocates, and others to hear directly from a wide range of voices.
- **Clarity and Certainty: Treasury will work expeditiously to provide clarity and certainty to taxpayers, so the climate and economic benefits of this historic legislation can be felt as quickly as possible.** For example, in August, Treasury and the IRS [immediately issued initial guidance on the electric vehicle tax credit](#) and worked closely with the Department of Transportation and Department of Energy so taxpayers could easily find a list of eligible vehicles online.
- **Sound Stewardship: Treasury will work closely with the IRS to put in place effective guardrails and reporting to ensure the benefits are delivered as Congress intended.** Treasury is committed to ensuring that as many eligible taxpayers as possible benefit from the incentives provided by law while protecting against fraud and abuse.

Notices Requesting Comment

Each of the six Notices Treasury and the IRS released covers a particular topic and contains a description of the relevant provisions followed by specific questions, as well as a general request

for input. Responses can be submitted electronically or by mail with filing instructions in the Notices linked below.

The six Notices requesting comment cover:

1. **Energy Generation Incentives**: Production Tax Credit, Investment Tax Credit, Zero-Emission Nuclear Credit, Clean Electricity Production Credit, Clean Electricity Investment Credit, Low Income Community Adder to Investment Tax Credit
2. **Credit Enhancements**: Prevailing Wage, Apprenticeship, Domestic Content, Energy Communities provisions that increase the value of multiple credits
3. **Incentives for Homes and Buildings**: Energy Efficient Home Improvement Credit, Residential Clean Energy Credit, New Energy Efficient Home Credit, Energy Efficient Commercial Building Deduction
4. **Consumer Vehicle Credits**: Clean Vehicle Credit, Credit for Pre-Owned Clean Vehicles
5. **Manufacturing Credits**: Advanced Energy Project Credit, Advanced Manufacturing Production Tax Credit
6. **Credit Monetization**: Direct Pay, Transfer of Certain Credits

When issuing proposed regulations, Treasury and the IRS will solicit public comments and carefully consider that feedback before finalizing a rule. The Notices issued today provide an earlier, additional opportunity for stakeholders to submit information that may help inform Treasury and the IRS's broader ongoing work to implement the law. Soliciting extra input at this early stage will help accelerate the process of providing clarity and certainty to taxpayers.

Stakeholders are encouraged to provide comments as soon as possible, and preferably within 30 days of issuance (by November 4). Later comments will be accepted and considered as practicable. Responses submitted are public record; stakeholders submitting comment should not include sensitive information.

Additional Background on Tax Incentive Implementation

Treasury and the IRS work together to administer the tax laws enacted by Congress, by providing rules, definitions, and guardrails that implement those statutes and by providing taxpayers with information on how to report and comply with the law.

Potential types of implementing guidance include:

- Treasury regulations
- Notices, Revenue Procedures, Revenue Rulings, and Announcements (sometimes referred to as sub-regulatory guidance or Internal Revenue Bulletin ("I.R.B.") guidance)
- IRS forms, instructions, and publications
- FAQs, news releases, facts sheets, etc.

The type of guidance issued will vary based on the provision of the law and the context.

Treasury is committed to working expeditiously to provide clarity and certainty to taxpayers and other stakeholders, while following statutorily required administrative steps and being responsive

to public input. Stakeholders will have opportunities to provide input throughout this process, including – for provisions where Treasury and the IRS develop regulations – during the public comment period following the issuance of a proposed regulation.