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## Clean Electricity Production Tax Credit – 26 U.S. Code § 45Y

### TAX CREDIT

**IRA Statutory Location:**

13701

**Tax Code Location:**

26 U.S. Code § 45Y

**New or Modified Provision:**

New

**Eligible Recipients:**

Zero GHG electricity generators

**Tribal Eligibility:**

Yes

**Bureau/Office**

**Funded by:**

U.S. Department of Treasury



### Description

Provides a technology-neutral tax credit for production of clean electricity. Replaces the production tax credit for electricity generated from renewable sources (extended in Section 13101 through 2024).

**Direct Pay Eligibility:**

Yes, for tax-exempt organizations; states; political subdivisions; the Tennessee Valley Authority; Indian Tribal governments; Alaska Native

### Key Details

**Period of Availability**

Facilities placed in service after 12/31/24. Phase-out starts the later of (a) 2032 or (b) when U.S. greenhouse gas emissions from

Corporations; and rural electricity co-ops.

**Transferability:**

Yes

**Stackability:**





Credit reduced for tax-exempt bonds with similar rules as section 45(b) (3). Cannot claim both the §48E ITC and the § 45Y PTC for the same facility.

**Energy Community Bonus:**

Yes

## Relevant Announcements

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- <https://www.irs.gov/pub/irs-drop/n-22-49.pdf> 
- <https://www.federalregister.gov/documents/2022/11/30/2022-26108/prevailing-wage-and-apprenticeship-initial-guidance-under-section-45b6bii-and-other-substantially> 
- <https://www.dol.gov/agencies/whd/IRA> 
- <https://www.apprenticeship.gov/inflation-reduction-act-apprenticeship-resources> 

## Related Resources

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Additional information is available on the [Resources](#) page.

electricity are 25% of 2022 emissions or lower.

**Tax Mechanism:**

Production tax credit

**Base Credit Amount:**


0.3 cents/kWh, inflation adjusted

**Bonus Credit Amount:**

Credit is increased by 5 times for projects meeting prevailing wage and registered apprenticeship requirements. Initial guidance on the labor provisions is available [here](#). Credit is increased by 10% for projects meeting certain domestic content requirements for steel, iron, and manufactured products. Credit is increased by 10% if located in an energy community.

**Eligibility:**

<https://energycommunities.gov/energy-community-tax-credit-bonus/>

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