

Inflation Reduction Act of 2022: Summary Chart

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	Percentage	Begins	Ends	Phasedowns and Phaseups
Wind and Solar PTC and specified § 45 technologies¹	100% of PTC rate (assuming labor requirements met)	PIS after 12/31/2021 (otherwise § 45(b)(5) phase-downs ² apply)	BOC by 12/31/2024	None
Direct Pay (Tax-Exempt Only)	100% of PTC claimed (subject to phasedown)	PIS after 12/31/2022	BOC by 12/31/2024	90% of PTC if 2024 BOC (but no direct pay phasedown if domestic content or <1MW maximum output)
Labor Requirements	Apply if maximum net output >1MW (AC)	BOC 60 days after Secretary publishes guidance	N/A	N/A
Domestic Content	+10% of PTC (taking into account whether labor requirements met) if steel and iron produced in US and 40% of manufactured products are manufactured in US (20% for offshore)	PIS after 12/31/2022	BOC by 12/31/2024	N/A

¹ Wind, closed-loop biomass, open-loop biomass, landfill gas, municipal solid waste, hydropower, marine and hydrokinetic renewable energy, geothermal (electric), and solar.

² Based on beginning of construction: 2017 (20%), 2018 (40%), 2019 (60%), 2020-2021 (40%).

	Percentage	Begins	Ends	Phasedowns and Phaseups
Energy Communities	+10% of PTC (taking into account whether labor requirements met and direct pay phaseout, but not domestic content)	PIS after 12/31/2022	BOC by 12/31/2024	N/A
Solar and Wind ITC and other specified § 48 technologies³	30% eligible basis (assuming labor requirements met) (but 10% for qualified microturbine) Eligible basis includes interconnection property if installation is less than 5 MW(ac)	PIS after 12/31/2021 (BOC 2020-2021 and PIS pre-2022 is 26%, except for offshore which has no phaseout) for most technologies PIS after 12/31/2022 for energy storage (but new basis eligible if PIS pre-enactment with <5kwh nameplate capacity and modified to achieve >5kwh) and qualifying interconnection property	BOC by 12/31/2024 (except for geothermal (heating and cooling), which must be BOC by 12/31/2034)	Geothermal (heating and cooling) phases out to 26% for 2033 BOC, 22% for 2034 BOC.
Direct Pay (Tax-Exempt Only)	100% of ITC claimed (subject to phasedown)	PIS after 12/31/2022	BOC by 12/31/2024	90% of ITC if 2024 BOC (but no direct pay phasedown if domestic content or <1MW maximum output)

³ Fiberoptic solar photovoltaic, qualified fuel cell, qualified small wind, waste energy recovery, geothermal (electric), energy storage technology, qualified biogas, microgrid controllers, combined heat and power system, geothermal (heating and cooling), qualified microturbine, and certain interconnection property.

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	Percentage	Begins	Ends	Phasedowns and Phaseups
Labor Requirements	Apply if maximum net output >1MW (AC)	BOC 60 days after Secretary publishes guidance	N/A	N/A
Domestic Content	+10% (if labor requirements met, i.e. 40%), otherwise +2% (i.e. 8%), if steel and iron produced in US and 40% of manufactured products are manufactured in US (20% for offshore)	PIS after 12/31/2022	BOC by 12/31/2024	N/A
Energy Communities	+10% (if labor requirements met, i.e. 40%), otherwise +2% (i.e. 8%)	PIS after 12/31/2022	BOC by 12/31/2024	N/A
Low Income Communities (solar and wind only)	+10% or +20% (depending on community type)	PIS after 12/31/2022	BOC by 12/31/2024; PIS by 4 years after allocation date	1.8GW capacity limitation for each of 2023 and 2024, with rollforward of unallocated limitation
Clean Electricity PTC (§ 45Y)	100% of CEPTC rate, which is same as § 45 PTC rate (assuming labor requirements met) (pre-phasedown)	PIS after 12/31/2024 if facility is not eligible for or does not claim other specified credits	BOC by 3 rd year after later of (i) calendar year when emission reductions hit target or (ii) 12/31/2032	100% in first calendar year after target year; 75% in second year; 50% in third year; thereafter 0%
Direct Pay (Tax-Exempt Only)	100% of CEPTC claimed	PIS after 12/31/2024	BOC by 12/31/2025 (unless domestic content or <1MW maximum output)	100% of CEPTC if pre-2024 BOC, 90% of CEPTC if 2024 BOC, 85% of

	Percentage	Begins	Ends	Phasedowns and Phaseups
				CEPTC if 2025 BOC and thereafter 0% (but no direct pay phasedown if domestic content or <1MW maximum output)
Labor Requirements	Apply if maximum net output >1MW (AC)	BOC 60 days after Secretary publishes guidance	N/A	N/A
Domestic Content	+10% of CEPTC (taking into account whether labor requirements met, but not increase for energy community) if steel and iron produced in US and 40-55% of manufactured products are manufactured in US (20-55% for offshore)	PIS after 12/31/2024	BOC by 3 rd year after later of (i) calendar year when emission reductions hit target or (ii) 12/31/2032	Domestic content manufactured product requirement is 40% if BOC pre-2025, 45% if BOC 2025, 50% if BOC 2026, thereafter 55%; if offshore, 20% if BOC pre-2025, 27.5% if BOC 2025, 35% if BOC 2026, 45% if BOC 2027, thereafter 55%.
Energy Communities	+10% of CEPTC (taking into account whether labor requirements met)	PIS after 12/31/2024	BOC by 3 rd year after later of (i) calendar year when emission reductions hit target or (ii) 12/31/2032	N/A
Clean Electricity ITC (§ 48E)	30% eligible basis (assuming labor requirements met)	PIS after 12/31/2024	BOC by 3 rd year after later of (i) calendar year when emission reductions hit target or (ii) 12/31/2032	100% in first calendar year after target year; 75% in second year; 50% in third year; thereafter 0%

	Percentage	Begins	Ends	Phasedowns and Phaseups
Direct Pay (Tax-Exempt Only)	100% of CEITC claimed	PIS after 12/31/2024 if energy property is not eligible for or does not claim other specified credits	BOC by 12/31/2025 (unless domestic content or <1MW maximum output)	100% of CEITC if pre-2024 BOC, 90% of CEITC if 2024 BOC, 85% of CEITC if 2025 BOC and thereafter 0% (but no direct pay phasedown if domestic content or <1MW maximum output)
Labor Requirements	Apply if maximum net output >1MW (AC)	BOC 60 days after Secretary publishes guidance	N/A	N/A
Domestic Content	+10% (if labor requirements met, i.e. 40%), otherwise +2%, if steel and iron produced in US and 40% of manufactured products are manufactured in US (20% for offshore)	PIS after 12/31/2024	BOC by 3 rd year after later of (i) calendar year when emission reductions hit target or (ii) 12/31/2032	N/A
Energy Communities	+10% (if labor requirements met, i.e. 40%), otherwise +2% (i.e. 8%)	PIS after 12/31/2024	BOC by 3 rd year after later of (i) calendar year when emission reductions hit target or (ii) 12/31/2032	N/A
Low Income Communities	+10% or +20% (depending on community type)	PIS after 12/31/2024	BOC by 3 rd year after later of (i) calendar year when emission reductions hit target or (ii) 12/31/2032; PIS by 4 years after allocation date	1.8GW capacity limitation for each calendar year from 2025 until the later of (i) calendar year when emission reductions hit target or (ii) 12/31/2032,

	Percentage	Begins	Ends	Phasedowns and Phaseups
				with rollforward of unallocated limitation
Section 45Q Credit	100% of § 45Q rate ⁴ (assuming labor requirements met)	PIS after 12/31/2022 (for changes to modified § 45Q rates; changes to threshold requirements effective post-enactment; election to delay § 45Q period in certain disaster zones effective for carbon oxide captured after 12/31/2021)	BOC by 12/31/2032	None
Direct Pay	100% of § 45Q credit claimed; available to non-exempt taxpayers	PIS after 12/31/2022	BOC by 12/31/2032	None
Labor Requirements	Apply if maximum net output >1MW (AC)	BOC 60d after Secretary publishes guidance	N/A	N/A
Domestic Content	None	N/A	N/A	N/A
Energy Communities	None	N/A	N/A	N/A
Advanced Manufacturing Production Credit (§ 45X)	100% of applicable rate (pre-phaseout)	Components produced and sold after 12/31/2022	Components produced and sold by 12/31/2032	75% of applicable rate if sold in 2030; 50% if sold in 2031; 25% if sold in 2032

⁴ The base dollar amounts per metric ton of carbon oxide captured are multiplied by 5 if labor requirements are met, resulting in an amount significantly larger than the pre-IRA statute.

	Percentage	Begins	Ends	Phasedowns and Phaseups
Direct Pay	100% of credit claimed; available to non-exempt taxpayers but only for taxable years beginning before 2033	Components produced and sold after 12/31/2022	Components produced and sold by 12/31/2032	Available to non-exempt taxpayers only for taxable years beginning before 2033
Clean Hydrogen Credit (§ 45V)	100% of § 45V rate (assuming labor requirements met) Election for ITC of 6-30% of eligible basis (assuming labor requirements met)	PIS after 12/31/2022 If BOC pre-2023, basis eligible for ITC only if attributable to the construction, reconstruction, or erection after 12/31/2022	BOC by 12/31/2032	None
Direct Pay	100% of § 45V credit claimed; available to non-exempt taxpayers	PIS after 12/31/2022	BOC by 12/31/2032	None
Labor Requirements	Apply	BOC 60 days after Secretary publishes guidance	N/A	N/A
Domestic Content	None	N/A	N/A	N/A
Energy Communities	None	N/A	N/A	N/A