



Inflation Reduction Act (IRA) Offerings

Preparing state and local agencies to **activate IRA Funding via refundable tax credits (direct pay)**

The Inflation Reduction Act (IRA) provides **over \$271 billion** in clean energy and climate credits and incentives that will provide unprecedented opportunities for state and local governments, along with various local agencies, ports, etc. seeking to combat climate change by stimulating the development of clean energy and carbon neutrality.

Tax credits eligible for **direct pay (cash refund)** include:

\$98 billion (approx.)
for the production of clean electricity and reduction of carbon emissions

\$65 billion (approx.)
for investments in clean electricity and transportation

\$18 billion (approx.)
for the production/investments in clean hydrogen or electric/alternative fuel vehicles and alternative fueling stations

To take full advantage of available credits and incentives, state and local governments can start strategizing, administering programs, and preparing for future IRA guidance.

Deloitte is prepared to support our state and local partners through the full cycle of IRA:

Services

- Determine eligibility to claim credit
- Calculate credit amounts and model benefits to determine best available credit option
- Assist with direct payment processes and procedures
- Assist in developing methodology memos to outline product facts, criteria, and traceability to credit amounts (amount produced, timeline for construction)
- Provide tax opinions/memos to define specific aspects of tax requirements for various credits and incentives

Areas of investment

- Solar, wind, hydrogen, etc.
- Electric vehicles
- Charging stations
- Carbon capture
- Renewable energy property
- Energy efficient technology

Planning considerations

- Will there be sustainability initiatives intended to reduce greenhouse gases?
- Are you trying to reduce your carbon footprint?
- Are you planning to:
 - Purchase clean vehicles or charging stations?
 - Produce clean hydrogen?
 - Invest in carbon capture equipment?

To learn more click here: [Deloitte Tax Credits and Incentives](#)

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