



## U.S. Department of the Treasury, IRS Release Final Rules and Guidance on Investing in America Program to Spur Clean Energy Investments in Underserved Communities

August 10, 2023

*Program provides up to 20-percentage point credit boost for projects in low-income communities*

WASHINGTON —Today, the U.S. Department of the Treasury and Internal Revenue Service (IRS) issued [final rules](#)  and [procedural guidance](#)  for the Low-Income Communities Bonus Credit program under Section 48(e) of the Internal Revenue Code and announced the application process would open by early fall.

This groundbreaking program through President Biden’s Inflation Reduction Act provides up to a 20-percentage point boost to the Investment Tax Credit for qualified solar or wind facilities in low-income communities. The goals of the program are to increase clean energy facilities in low-income communities, encourage new market participants, and benefit individuals and communities that have experienced adverse health or environmental effects or lacked economic opportunities. This program will advance President Biden’s Investing in America Agenda – a key pillar of Bidenomics – by lowering energy costs and providing breathing room for hard-working families, investing in good-paying clean energy jobs in low-income communities, and supporting small business growth.

“One of the goals of Bidenomics is to ensure all Americans benefit from the growth of the clean energy economy,” said **Deputy Secretary of the Treasury Wally Adeyemo**. “This new bonus incentive through the Inflation Reduction Act will drive investment to underserved communities to ensure they benefit from lower energy costs and reduced pollution and health hazards. Treasury has worked to get this program off the ground as quickly as possible, and in partnership with the Department of Energy (DOE), will be opening the application process and making awards to projects earlier than initially anticipated.”

The Low-Income Communities Bonus Credit program will allocate 1.8 gigawatts of capacity available for the 2023 program across four categories of solar or wind facilities with maximum output of less than five megawatts. The IRS intends to allocate up to: 700 megawatts to facilities located in low-income communities; 200 megawatts to facilities located on Indian land; 200

megawatts to facilities that are part of federally-subsidized residential buildings, including housing supported by the Low-Income Housing Tax Credit and Section 8 of the Housing Act; and 700 megawatts to facilities where at least 50 percent of the financial benefits of the electricity produced go to households with incomes below 200 percent of the poverty line or below 80 percent of area median gross income.

The application process for all four categories in the Low-Income Communities Bonus Credit program will open in the fall, and awards will start to be made by the end of the year. Depending on the availability of capacity, applications for the 2023 program are expected to be accepted through early next year. Previously, Treasury planned to open the application process in two phases—an initial window and a rolling application process. The IRS may choose to reallocate capacity between categories in the event of oversubscription in any category, and unclaimed allocations will roll over into 2024, when another base 1.8 gigawatts of capacity will be available via application.

Today, DOE launched [a landing page for the program](#) and will provide, in conjunction with Treasury and the IRS, additional information about the application opening date and application materials in the coming weeks.

For a full list of Treasury’s work to implement the Inflation Reduction Act, see below:

[August 16, 2022: Treasury Releases Initial Information on Electric Vehicle Tax Credit Under Newly Enacted Inflation Reduction Act](#)

[October 5, 2022: Treasury Seeks Public Input on Implementing the Inflation Reduction Act’s Clean Energy Tax Incentives](#)

[FACT SHEET: Treasury, IRS Open Public Comment on Implementing the Inflation Reduction Act’s Clean Energy Tax Incentives](#) 

[October 26, 2022: READOUT: Stakeholder Roundtable on Clean Power Generation and the Inflation Reduction Act](#)

[October 27, 2022: READOUT: Stakeholder Roundtable on Climate Impact, Equity, and the Inflation Reduction Act](#)

[FACT SHEET: Four ways the Inflation Reduction Act’s Tax Incentives Will Support Building an Equitable Clean Energy Economy](#) 

[October 31, 2022: READOUT: Stakeholder Roundtable on Investor Perspectives on Climate Change, Clean Energy, and the Inflation Reduction Act](#)

November 3, 2022: Treasury Seeks Public Input on Additional Clean Energy Tax Provisions of the Inflation Reduction Act

November 4, 2022: READOUT: Stakeholder Roundtable on Clean Vehicles and the Inflation Reduction Act

November 29, 2022: Treasury Announces Guidance on Inflation Reduction Act's Strong Labor Protections

December 12, 2022: Treasury and IRS set out procedures for manufacturers, sellers of clean vehicles

December 19, 2022: Treasury, IRS issue guidance on new Sustainable Aviation Fuel Credit

December 22, 2022: IRS releases frequently asked questions about energy efficient home improvements and residential clean energy property credits

January 17, 2023: Remarks by Deputy Secretary of the Treasury Wally Adeyemo at White House event "Lowering Costs: Inflation Reduction Act Briefing"

January 29, 2023: Statement from Deputy Secretary of the Treasury Wally Adeyemo on Implementation of Strong Inflation Reduction Act Worker Protections

February 3, 2023: Treasury Updates Vehicle Classification Standard for Clean Vehicle Tax Credits Under Inflation Reduction Act

February 13, 2023: Treasury, Energy Release Guidance on Inflation Reduction Act Programs to Incentivize Investments in Underserved Communities, Hard-Hit Coal Communities

March 22, 2023: Remarks by Assistant Secretary for Tax Policy Lily Batchelder on Implementation of the Inflation Reduction Act's Clean Energy Provisions

March 31, 2023: Treasury Releases Proposed Guidance on New Clean Vehicle Credit to Lower Costs for Consumers, Build U.S. Industrial Base, Strengthen Supply Chains

April 4, 2023: Treasury Releases Guidance to Drive Investment to Coal Communities

April 14, 2023: READOUT: Treasury Convenes Roundtable Discussion on Inflation Reduction Act Incentives for Underserved Communities

April 27, 2023: READOUT: Treasury Department Convenes Roundtable Discussion on Inflation Reduction Act Incentives for Underserved Communities

May 12, 2023: Treasury Department Releases Guidance to Boost American Clean Energy Manufacturing

May 31, 2023: U.S. Departments of Treasury and Energy Release Additional Guidance on Inflation Reduction Act Programs to Incentivize Manufacturing and Clean Energy Investments in Hard-Hit Coal Communities

June 14, 2023: U.S. Department of the Treasury, IRS Release Guidance on Provisions to Expand Reach of Clean Energy Tax Credits Through President Biden's Investing in America Agenda

June 15, 2023: U.S. Department of the Treasury, IRS Release Updated Guidance to Drive Additional Investment to Energy Communities

August 4, 2023: Home energy audits may qualify for an Energy Efficient Home Improvement Credit

August 7, 2023: IRS: Builders of qualified new energy efficient homes might qualify for an expanded tax credit under Section 45L

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