

Deloitte Tax looks at proposed rules on section 45V clean hydrogen production tax credit

The Treasury Department and the Internal Revenue Service on December 26, 2023, published in the Federal Register a notice of proposed rulemaking and notice of public hearing (REG-117631-23) relating to the section 45V clean hydrogen production credit and the election to claim the section 48 energy investment tax credit in lieu of the section 45V credit, as established and amended by the Inflation Reduction Act of 2022 (P.L. 118-169).

URL: <https://www.federalregister.gov/documents/2023/12/26/2023-28359/section-45v-credit-for-production-of-clean-hydrogen-section-48a15-election-to-treat-clean-hydrogen>

URL: <https://www.taxnotes.com/research/federal/usc26/45V>

URL: <https://www.taxnotes.com/research/federal/usc26/48>

URL: <https://www.congress.gov/117/plaws/publ169/PLAW-117publ169.pdf>

The proposed regulations provide guidance on section 45V eligibility and other key issues on which taxpayers have sought clarity since section 45V was enacted in 2022. This guidance considers nearly 250 comments received from industry participants, environmental groups, individuals, and other stakeholders in response to IRS Notice 2022-58, released on November 3, 2022, as well as extensive consultation with external stakeholders in coordination with the Environmental Protection Agency and the Department of Energy.

URL: <https://www.irs.gov/pub/irs-drop/n-22-58.pdf>

The proposed regulations apply to taxable years beginning after December 26, 2023. However, taxpayers may rely on the proposed regulations for taxable years beginning after December 31, 2022, and before the date the final regulations are published in the Federal Register, provided the taxpayers follow the proposed regulations in their entirety and in a consistent manner.

Treasury and the IRS have requested written or electronic comments on all aspects of the proposed regulations by February 26, 2024.

A public hearing on the proposed regulations has been scheduled for March 25, 2024, at 10:00 a.m. Eastern time. Requests to speak and outlines of topics to be discussed at the public hearing must be received by March 4, 2024.

Find out more

A new alert from Deloitte Tax LLP provides a technical summary of the proposed regulations.

URL: https://dhub.deloitte.com/Newsletters/Tax/2024/TNV/240209_3_suppA.pdf

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