

Treasury and IRS update the elective safe harbor for domestic content bonus credit (Notice 2025-08)

On January 16, 2025, Treasury and the IRS released Notice 2025-08 (the “Notice”) which provides the first update to the elective safe harbor for the domestic content bonus credit (“First Updated Elective Safe Harbor”) and modifies the safe harbor provided in Notice 2024-41.

URL: <https://www.irs.gov/pub/irs-drop/n-25-08.pdf>

The Notice provides key updates including the following:

- Expands the solar photovoltaic (PV) table in two distinct tables, providing updated assigned cost percentages for both ground-mount and rooftop solar facility and including new columns with optional assigned cost percentages for PV modules with domestic crystalline silicon cells and domestic wafers.
- Updates the assigned cost percentages in the battery energy storage system (BESS) table, which apply to both grid-scale BESS and distributed BESS.
- Clarifies the use of Notice 2024-41 and the Notice for a retrofitted facility meeting the 80/20 rule.
URL: <https://www.irs.gov/pub/irs-drop/n-24-41.pdf>
- Renames, reclassifies, and defines certain Applicable Project components (APCs) and manufactured product components (MPCs).

Deloitte Tax LLP provides an analysis of the Notice in a new tax alert.

URL: https://dhub.deloitte.com/Newsletters/Tax/2025/TNV/250411_4_suppA.pdf

— Steven Grodnitzky
Tax Policy Group
Deloitte Tax LLP

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms or their related entities (collectively, the “Deloitte organization”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte provides industry-leading audit and assurance, tax and legal, consulting, financial advisory, and risk advisory services to nearly 90% of the Fortune Global 500® and thousands of private companies. Our professionals deliver measurable and lasting results that help reinforce public trust in capital markets, enable clients to transform and thrive, and lead the way toward a stronger economy, a more equitable society and a sustainable world. Building on its 175-plus year history, Deloitte spans more than 150 countries and territories. Learn how Deloitte’s approximately 415,000 people worldwide make an impact that matters at www.deloitte.com.