

Fact Sheet: 48C Manufacturing Tax Credits

In order to foster investment and job creation in clean energy manufacturing, the American Recovery and Reinvestment Act of 2009 included a tax credit for investments in manufacturing facilities for clean energy technologies. The Section 48C Advanced Manufacturing Tax Credit originally provided a 30% investment tax credit to 183 domestic clean energy manufacturing facilities valued at \$2.3 billion.

Today the IRS has announced the availability of additional 48C allocations, utilizing \$150 million remaining tax credits that were never fully monetized by previous awardees. This tax credit program will help build a robust U.S. manufacturing capacity to supply clean energy projects with American-made parts and equipment. These manufacturing facilities will also support significant growth in U.S. exports of manufactured clean energy products. This important tax program supports the Obama Administration's all-of-the-above strategy that develops every source of American energy – a strategy that reduces costs for consumers, better protects our air and water, and provides for true energy independence for the United States.

The \$150 million in tax credits will be allocated on a competitive basis. Projects will be assessed based on the following criteria: commercial viability, domestic job creation, technological innovation, speed to project completion, and potential for reducing air pollution and greenhouse gas emissions. The Department of Energy will also consider additional factors including diversity of geography, technology, and project size, and regional economic development. The IRS has posted the full solicitation, Notice 2013-12, [HERE](#).

Qualifying Manufacturing Facilities Include The Production Of A Wide Range Of Clean Energy Products:

- Solar, wind, geothermal, or other renewable energy equipment
- Electric grids and storage for renewables
- Fuel cells and microturbines
- Energy storage systems for electric or hybrid vehicles
- Carbon dioxide capture and sequestration equipment
- Equipment for refining or blending renewable fuels
- Equipment for energy conservation, including lighting and smart grid technologies
- Other advanced energy property designed to reduce greenhouse gas emissions may also be eligible as determined by the Secretary of the Treasury.

The Statutorily Specified Review Criteria Include:

- Greatest domestic job creation (direct and indirect)
- Greatest net impact in avoiding or reducing air pollutants or emissions of greenhouse gases
- Lowest levelized cost of energy
- Greatest potential for technological innovation and commercial deployment
- Shortest project time from certification to completion

Timing of Projects for the 2013 Reallocation:

- The application period for certification begins on February 7, 2013, and ends on July 23, 2013.
- A concept paper for DOE consideration must be submitted by April 9, 2013. If after review of the concept paper DOE invites an applicant to submit an application for DOE recommendation, the application must be submitted by July 23, 2013. All timely submitted applications will be evaluated and ranked on their merit regardless of when in the application period they are submitted.
- If an application for DOE recommendation is received on time and otherwise meets the preliminary compliance review criteria, DOE will determine the merit of the project. For projects determined to be meritorious, DOE will provide the DOE recommendation to the IRS no later than October 11, 2013.
- The timeliness for any concept paper and application will be determined by the submittal date and time information provided by DOE's [EXCHANGE website](#). Instructions for submitting concept papers, applications and supporting documents through EXCHANGE are provided in Appendix B, Section IV of Notice 2013-12.
- The IRS will accept or reject the taxpayer's application for § 48C certification by November 15, 2013, and will notify the taxpayer, by letter, of its decision. If the application is accepted, the date of this letter will be treated as the acceptance date.

If the taxpayer's application for § 48C certification is accepted, the acceptance letter will state the amount of the credit allocated to the project. If a credit is allocated to a taxpayer's project, the taxpayer will be required to execute an agreement in the form set forth in Appendix A of Notice 2013-12. The taxpayer must execute and return the agreement to the IRS by January 10, 2014. The IRS will execute and return the agreement to the taxpayer by March 14, 2014.

Webinar for Potential Applicants

The Department of Energy will be hosting an informational webinar for potential applicants on February 19, 2013 at 2:00 Eastern time. This initial webinar will provide information about how to prepare the concept paper, and participants will have the opportunity to submit written questions during the [webinar](#). Answers will be posted on DOE's [EXCHANGE website](#) (click on the 48C Phase II Program link under Funding Opportunity Announcements). The webinar will address topics related to the concept paper phase of the process only. Applicants who are subsequently invited to submit a full application will also be invited to a webinar addressing that stage of the process. See Appendix B of the IRS notice for more information.