Clean Energy Tax Incentives/Inflation Reduction Act: Environmental Organizations Submit Comments to the Internal Revenue Service

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The Natural Resources Defense Council and 25 other environmental and climate advocacy organizations (collectively, "NRDC") submitted November 4th comments to the United States Department of Treasury's Internal Revenue Service ("IRS") providing feedback on the implementation of the Inflation Reduction Act ("IRA") clean energy tax incentives.

The organizations were responding to a request for comments by the IRS pursuant to the following Notices:

- 2022-46
- 2022-47
- 2022-48
- 2022-49
- 2022-50
- 2022-51

The IRA is arguably the largest and most significant set of energy and climate programs ever enacted by the United States Congress. Key components of the IRA are the various tax credits such as:

- Clean Manufacturing Tax Credit
- Residential Solar, Geothermal Heat Pumps, Small Wind, Battery Storage credits
- Solar Investment Tax Credit
- Wind Production Tax Credit
- Offshore Wind Tax Credit
- Hydrogen Production Tax Credit

NRDC's comments initially state that the clean energy tax incentives are key to:

- Reduction of carbon emissions
- Combating climate change
- Hypercharging the transition to a clean energy economy
- Repairing communities affected by fossil fuel emissions
- Providing high quality/family-sustaining jobs
- Reducing energy costs

The organizations support what they describe as the IRS's three "guiding principles" that it has said it will utilize in implementing the IRA:

1. Robust and broad public engagement
2. Clarity and certainty
3. Sound stewardship

NRDC offers what it characterizes as supplementary recommendations which include by way of summary:

- Speed is crucial and also should not come at the expense of guidance that is clear, comprehensive, and accessible to all eligible communities.
- Taxpayers will need maximum clarity if they are to make informed decisions and realize the benefits of these incentives.
- Treasury must uphold environmental integrity, establish safeguards, and practice sound stewardship to realize the full potential of these investments.
- Treasury must maintain the explicit intent of the legislation to prioritize equity and justice.
- Treasury must maintain the explicit intent of the legislation to create high quality jobs in the United States that are connected to training pathways.

A copy of the NRDC comments can be downloaded here.