

Current Year IRS Priority Guidance Plan Highlights Energy Transition

Update

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On September 29, 2023, the Internal Revenue Service (IRS) and the Department of the Treasury (Treasury) released their 2023–2024 Priority Guidance Plan (the Plan). The Plan describes the various guidance priorities of the IRS and Treasury for the period from July 1, 2023 through June 30, 2024 (the Plan Year).

The Plan describes many guidance projects that relate to the implementation of the energy transition credits (the Credits) under the Inflation Reduction Act of 2022 (the IRA), including the following:

- Guidance regarding the sustainable aviation fuel credit (Section 40B of the Internal Revenue Code of 1986, as amended (the Code));^[1]
- Guidance regarding the carbon oxide sequestration credit (Section 45Q of the Code);
- Guidance regarding the zero-emission nuclear power production credit (Section 45U of the Code);
- Guidance regarding the clean hydrogen production credit (Section 45V of the Code);
- Regulations regarding the advanced manufacturing production credit (Section 45X of the Code);
- Guidance regarding the clean electricity production credit (Section 45Y of the Code);
- Guidance regarding the clean fuel production credit (Section 45Z of the Code);
- Regulations regarding the energy credit (Section 48 of the Code);

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- Guidance addressing subsequent allocation rounds for the qualifying advanced energy project credit (Section 48C of the Code);^[2] and
- Guidance regarding the clean electricity investment credit (Section 48E of the Code).

The Plan also describes guidance projects related to the following Credit enhancements:

- Regulations regarding the prevailing wage and apprenticeship requirements;^[3]
- Regulations regarding the domestic content bonus credit;^[4] and
- Regulations regarding the energy community bonus credit.^[5]

Finally, the Plan describes the following guidance projects related to Credit monetization:

- Final regulations regarding the direct payment of applicable Credits (Section 6417 of the Code);^[6] and
- Final regulations regarding the transfer of eligible Credits (Section 6418 of the Code).^[7]

The IRS and Treasury intend to update the Plan during the Plan Year to reflect additional items that become priorities, guidance that is published during the Plan Year, and projects that may result from legislative developments. Per the Plan, such periodic updates allow the IRS and Treasury the flexibility throughout the Plan Year to consider comments received from taxpayers and tax practitioners relating to additional projects and to respond to developments arising during the Plan Year.

[1] The IRS and Treasury previously released [Notice 2023-6](#), providing initial guidance with respect to the sustainable aviation fuel credit (click [here](#) for more).

[2] The IRS and Treasury previously released [Notice 2023-18](#) and [Notice 2023-44](#), providing guidance regarding the qualifying advanced energy project credit allocation program (click [here](#) and [here](#) for more).

[3] The IRS and Treasury previously released [Notice 2022-61](#), providing initial guidance with respect to the prevailing wage and apprenticeship requirements under the IRA (click [here](#) for more) and subsequent [proposed regulations](#) related to such requirements (click [here](#) for more).

[4] The IRS and Treasury previously released [Notice 2023-38](#), providing initial guidance with respect to the domestic content bonus credit (click [here](#) for more).

[5] The IRS and Treasury previously released [Notice 2023-29](#) (click [here](#) and [here](#) for more), [Notice 2023-45](#), and [Notice 2023-47](#) regarding the energy community bonus credit.

[6] The IRS and Treasury previously released [proposed regulations](#) regarding direct payment of applicable Credits.

[7] The IRS and Treasury previously released [proposed regulations](#) regarding the transferability of eligible Credits (click [here](#) for more).