

Taxes paid by energy storage projects





Overview

What is the base tax credit for energy projects?

- For projects beginning construction on or after Jan. 29, 2023 or where the maximum net output is 1 MW or greater, the base tax credit is 6% of the taxpayer's basis in the energy property or qualified facility (or energy storage technology).

Are IRA tax benefits a viable option for energy storage facilities?

While the vitality of the IRA tax benefits in their current form is currently subject to uncertainty given the results of the 2024 federal general election, the existing market practice for financing energy storage facilities since the IRA's passage continues to evolve in reaction to the act's new requirements and opportunities.

How has the energy storage industry progressed in 2024 & 2025?

The energy storage industry has continued to progress over the course of 2024 and into 2025, buoyed in significant part by the federal income tax benefits in the form of tax credits enacted under the Inflation Reduction Act of 2022 (IRA).

Who can install energy-generation & storage property?

Tax-exempt and governmental entities, such as state and local governments, Tribes, religious organizations, and non-profits may install energy-generation and storage property to meet energy demands, reach clean energy transition goals, or save money on energy costs.

Are energy storage projects eligible for a refundable ITC?

Energy storage projects owned by taxable entities are not eligible for a refundable ITC, but instead can take advantage of the new transferability rules. The IRA added a provision to permit project owners (other than tax-exempt entities) to make an election to transfer the ITC to an unrelated third



party.

What is the energy storage credit and how does it work?

The credit ranges from 30 percent to as much as 70 percent for nonresidential installations if certain domestic content and community-related criteria can be met. This credit is expected to increase investments in energy storage and capacity additions to 27 gigawatts a year by 2031. 1



Taxes paid by energy storage projects



Tax-exempt investment in partnerships holding energy properties

Partnership allocations are critical If tax - exempt entities invest in energy projects through partnerships, careful consideration should be given to allocations under the respective ...

[WhatsApp](#)

Solar, storage projects set to bring jobs, tax revenue to Illinois...

Solar, storage projects set to bring jobs, tax revenue to Illinois coal communities A recent state procurement formalizes plans to put solar and storage on the site of several ...

[WhatsApp](#)



Summary of Inflation Reduction Act provisions related to renewable energy

This page summarizes information in the Inflation Reduction Act related to renewable energy project tax provisions. While EPA does have some Inflation Reduction Act ...

[WhatsApp](#)



Evaluation of the role of existing and potential tax incentives ...

Evaluation of the role of existing and potential tax incentives in achieving Maine's energy storage policy goals Submitted by the Governor's



Energy Office to the Joint Standing Committee on ...

[WhatsApp](#)



Inflation Reduction Act Creates New Tax Credit Opportunities for Energy

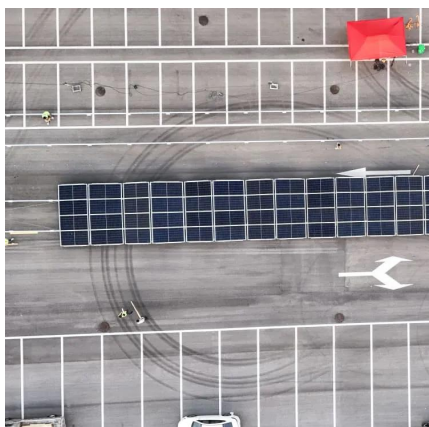
Energy storage installations that begin construction after Dec. 31, 2024, will be entitled to credits under the technology-neutral ITC under new Section 48E (discussed below). ...

[WhatsApp](#)

The State of Play for Energy Storage Tax Credits - Publications

The energy storage industry has continued to progress over the course of 2024 and into 2025, buoyed in significant part by the federal income tax benefits in the form of tax credits ...

[WhatsApp](#)



How much tax is paid per acre for energy storage projects?

Tax rates for energy storage projects can vary widely due to several significant factors including the geographic location, project size, and local government policies.

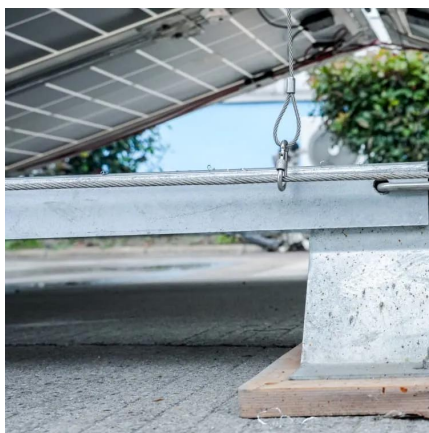
[WhatsApp](#)



Publication 6045 (Rev. 2-2025)

To calculate the amount your § 48 or § 48E project is eligible for, multiply the applicable tax credit percentage by the "tax basis," or the amount spent on an eligible unit of energy property or ...

[WhatsApp](#)



What the budget bill means for energy storage tax credit eligibility

Unlike solar and wind, which had their construction cutoff dates moved up, BESS projects will remain eligible for the investment tax credit (ITC) and production tax credit (PTC) ...

[WhatsApp](#)

How to Claim the Energy Storage Tax Credit

This incentive functions as a dollar-for-dollar reduction of taxes owed for a portion of the cost of an eligible energy storage system. This credit is available for both individual ...

[WhatsApp](#)



Battery storage tax credit opportunities and development challenges

Credit rate is only six percent for projects that start construction 60 days after guidance and do not meet the wage and apprenticeship requirements. Bonus credits.

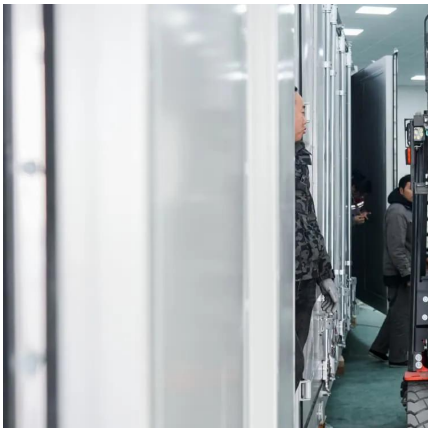
[WhatsApp](#)



[SALT and Battery: Taxes on Energy Storage , Tax Notes](#)

In this installment of Andersen's Sodium Podium, the authors discuss the differing property tax and sales tax considerations regarding battery energy storage systems and ...

[WhatsApp](#)



[The Economic Impact of Renewable Energy and Energy ...](#)

Over 75% of Texas counties are expected to receive tax revenues from either wind, solar, or energy storage projects. For aggregate values in this report, wind and solar projects were ...

[WhatsApp](#)

U.S. Department of the Treasury Releases Final Rules to Expand ...

Final rules will improve access to direct pay for co-owned clean energy projects, helping to expand the buildout of the clean energy economy. WASHINGTON - Today, the U.S. ...

[WhatsApp](#)





Clean Energy Tax Incentives: Elective Pay Eligible Tax Credits

Clean Energy Tax Incentives: Elective Pay Eligible Tax Credits The Inflation Reduction Act of 2022 ("IRA") makes several clean energy tax credits available to businesses; tax-exempt ...

[WhatsApp](#)

Contact Us

For catalog requests, pricing, or partnerships, please visit:
<https://straighta.co.za>