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Page Title: Green Energy Tax Credits for Nonprofit Organizations | [INSERT RELATED SERVICE] | [INSERT FIRM NAME]

Meta Description: [NAME OF FIRM] addresses the types of tax credits that are available to nonprofit organizations.

Headline: Green Energy Tax Credits for Nonprofit Organizations

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The [Inflation Reduction Act \(IRA\)](#), signed into law in August 2022, is one of the most expansive measures addressing energy efficiency and green technology in the nation's history. Supporters hailed it as a [major step forward](#), while noting that there is still much work to do. The IRA provides tax credits for individuals, businesses and organizations that invest in various forms of energy-efficient technologies and materials. The U.S. Department of the Treasury reports that, in the year since it took effect, the IRA has driven around [\\$500 billion in investments](#). Many of these investments have reportedly gone to underserved communities, often with the help of nonprofit organizations. The tax credits created or expanded by the IRA [can help nonprofits](#) further their missions by incentivizing energy-efficient investments. This article will address the types of tax credits that are available to nonprofit organizations.

What Tax Credits Are Available to Nonprofits?

Nonprofit organizations with tax-exempt status have not been able to take advantage of tax credits in the past for a straightforward reason: they do not pay federal income taxes the way for-profit businesses and individuals do. The IRA changes this by allowing nonprofits, local and tribal governments and other entities to claim [direct payments of tax credits](#).

These credits became available at the beginning of 2023. Most of them are available for the tax year when the technology is placed into service.

Alternative Fuel Vehicle Refueling Property Credit

The IRA provides a credit for clean energy technologies like [electric vehicle recharging stations](#). The amount of the credit may be 6% or 30% of the project cost, depending on the nature of the property.

Renewable Electricity Production Credit

Nonprofits may be able to claim a tax credit for [renewable energy production technology](#) placed into service starting in 2023. The amount starts at \$0.003 per kilowatt-hour.

Carbon Oxide Sequestration Credit

Carbon dioxide is one of the most significant contributors to climate change. The sequestration process involves capturing and storing carbon dioxide in order to reduce the amount in the atmosphere. The IRA provides a [tax credit for carbon sequestration](#) based on the number of metric tons of carbon dioxide captured and stored by taxpayers.

Zero-Emission Nuclear Power Production Credit

The IRA provides a tax credit to [incentivize investments in nuclear power](#). Much like the renewable electricity production credit, this credit starts at \$0.003 per kilowatt-hour.

Clean Hydrogen Production Credit

Hydrogen is an important fuel source, but most production processes result in greenhouse gas emissions. The IRA provides a tax credit for technologies that can produce hydrogen without byproducts like carbon dioxide. The amount of the credit is based on the amount of clean hydrogen produced during a tax year, reduced by the amount of carbon dioxide produced.

Qualified Commercial Clean Vehicle Credit

The purchase of certain types of electric or hybrid vehicles may result in eligibility for a tax credit equal to:

- 30% of the cost of an electric vehicle;
- 15% of the cost of a hybrid vehicle; or
- The vehicle's incremental cost.

Advanced Manufacturing Production Credit

This credit provides incentives to produce and sell components for clean energy technology such as solar, wind and batteries. The amount of the credit depends on the type of components produced, such as:

- \$12 per square meter of photovoltaic wafers; or
- 10% of the sales price of components used in offshore wind energy production.

Clean Electricity Production Credit

The IRA provides credit for organizations that produce and sell energy from clean or renewable sources. The amount is based on the number of kilowatt hours.

Clean Fuel Production Credit

The production of clean fuel used in transportation may result in a tax credit of \$0.20 to \$1.00 per gallon.

Energy Credit

Organizations may claim a credit equal to 6% of the cost of various energy technologies, including:

- Fuel cells;
- Energy storage;
- Wind energy;
- Waste energy; and
- Biogas energy.

Qualifying Advanced Energy Project Credit

Projects that establish or expand clean energy production may be eligible for this credit. An organization may claim a credit equal to 30% of their investment during that tax year.

Clean Electricity Investment Credit

Investments in clean energy projects that are not covered by other tax credits listed here may be eligible for this credit. The base rate for the credit is 6% of the investment amount, but may go as high as 30%.

Find Out More About Green Energy Tax Credits

Nonprofit organizations that are planning energy-efficient upgrades or investments can take advantage of a wide array of tax credits. The sheer number of available credits can make the process seem difficult. An experienced tax advisor can help nonprofits understand their options and create effective tax strategies.

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