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Page Title: IRS Launches Pre-Filing Registration Tool for Nonprofits | [INSERT RELATED SERVICE] | [INSERT FIRM NAME]

Meta Description: [NAME OF FIRM] discusses the IRS's launch of a pre-filing registration tool in December 2023, enabling nonprofits to initiate claims for eligible green energy credits under the Inflation Reduction Act of 2022.

Headline: IRS Launches Pre-Filing Registration Tool for Nonprofits

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Many nonprofits and other tax-exempt organizations have been waiting to claim their credits under the Inflation Reduction Act of 2022. The good news? As of December 2023, the IRS has launched its long-awaited pre-filing registration tool that allows nonprofits to begin the claims process for eligible green energy credits.

The Inflation Reduction Act and Its Impact on Nonprofits

Under the Inflation Reduction Act of 2022, nonprofit organizations have the opportunity to receive credits for the production of investment in electricity from renewables or clean energy, including the purchase of qualified commercial “clean” vehicles.

More specifically, the Inflation Reduction Act includes 12 different credits that are available for “elective pay,” meaning organizations can receive a payment that is equal to the full value of the tax credits. This is different from credits that have been issued in the past, where organizations had to meet certain qualifications before applying and were not guaranteed an award.

Under the Inflation Reduction Act of 2022, nonprofits that meet the criteria laid out are guaranteed a credit—so long as they register and file their claims in accordance with guidelines.

How to Use the New Pre-Filing Tool to Claim Credits

For nonprofit organizations that have invested in clean energy, now is the time to pre-file using the *free* [IRA/CHIPS Pre-Filing Registration Tool](#) now available on the IRS website. Pre-filing allows nonprofits and other qualifying businesses to take advantage of elective pay or transfer of credits for things like:

- clean energy investments
- solar panel installation
- geothermal HVAC installation or replacement
- electric vehicle purchase
- charging infrastructure

To complete registration, nonprofits will need to log into their existing IRS online clean energy accounts *or* authorize creation of a new account (if one has not already been created). From there, some additional information will be needed, including documentation to support the credits the entity will report on its tax return. It is also important to note that *only* authorized representatives of nonprofit entities may use the tool to register and provide information.

Documentation (such as purchase receipts) can be uploaded directly from a computer or smart device. Depending on specific credits being claimed, additional supporting information or documentation may be requested.

Once the registration filing has been processed by the IRS, a registration number will be provided to the entity taxpayer that can be used when filing taxes. Some nonprofits may need more than one registration number, so it's important to read the instructions carefully and confirm how many registration numbers the entity will need before proceeding. After all, this number can vary based on many factors, including how the entity reports and computes its tax credits.

When Should Nonprofits Register?

In general, nonprofit organizations should register for these tax credits using the IRS's free tool no earlier than the beginning of the tax period when the credit is to be claimed. This means that for those claiming a credit on their 2024 taxes, registration should be completed no sooner than January 1, 2024.

Likewise, it is recommended that pre-registration/filing be completed at least 120 days prior to filing the tax return where credits are being claimed. Failing to register within at least 120 days could result in claims being delayed. The full 120 days is needed for the IRS to review the request, issue registration numbers (where applicable) and request more information when needed. It is also worth noting that the due date includes any time provided for filing extensions.

The Bottom Line on Nonprofits and Green Energy Credits

New green energy credits available through the Inflation Reduction Act of 2022 aim to reward nonprofits and other business entities for investing in clean and renewable energy initiatives. For nonprofits that have made purchases or investments in clean energy within the past year (or plan to do so in the coming tax year), taking the time to pre-file through the IRS is crucial to securing these elective payouts.

For more information or assistance with pre-filing for credits as a nonprofit, consult with a financial advisor or tax preparation expert.

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If you have any questions or would like additional information, please contact [NAME] in our [DEPARTMENT] at [NUMBER] or [EMAIL].

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