

A-Core Container

Wind Solar and Storage Investment and Construction



Overview

Do solar and wind projects qualify for tax credits?

Solar and wind projects that are not under construction by July 4, 2026 must be in service by the end of 2027 to qualify for tax credits. The bill modifies the rules for "technology-neutral" tax credits that are found in sections 45Y and 48E of the US tax code.

When will solar and wind projects be placed in service?

The bill as enacted contains a placed-in-service deadline for solar and wind projects of Dec.31, 2027, but only to the extent that they do not begin construction for tax purposes prior to July 4, 2026. This key exception allows solar and wind developers to safe harbor projects in 2025 and 2026 that will be placed in service in 2028, 2029 and 2030.

When will solar and wind projects be able to start construction?

Under the bill, solar and wind projects that start construction by July 4, 2026 will avoid a deadline to be placed in service by the end of 2027. Such projects should generally have four years after the year construction starts under the existing Treasury guidance to finish construction.

When will tax credits for wind and solar projects phase out?

Under the new law, tax credits for wind and solar projects phase out much sooner. To qualify, these projects must either be completed by the end of 2027 or begin construction within the next 12 months. This compressed timeline will likely force developers to accelerate their project schedules or risk losing critical tax credits.

Does the 10-year period apply to offshore wind projects?

Offshore wind projects and projects on federal land have 10 years, but the Biden Treasury inadvertently left room for argument about whether the 10-year period applies to such projects that claim technology-neutral tax

credits by referring only to the legacy tax code sections when referring to the 10-year period in Notice 2022-61.

How has the IRA impacted wind and battery manufacturing?

Since the IRA's enactment, battery and solar manufacturing have seen the strongest growth in both investment and capacity. ZEV manufacturing capacity is also scaling steadily. In contrast, wind manufacturing has lagged, with declining investment, few new project announcements, and limited capacity expansion.

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Contact Us

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