



Lighting the path forward

January 2025

Inflation Reduction Act of 2022

Credits for Governmental Entities

A few things before we get started:



Questions? We will be doing a Q&A session at the end of the presentation. Feel free to chat-in your question. We will try to get to as many questions as we can.



Technical Issues? Use the chat function to let us know about any technology/sound issues.



We want your feedback! A short survey will be sent out after the session, along with the recording. Please help us make these sessions even better in the future.



Disclaimer

All materials have been prepared for general information purposes only. Information provided is not legal advice, is not to be acted on as such, may not be current, and is subject to change without notice. Information presented and provided and your receipt or use of it is not intended to convey or constitute legal advice and is not a substitute for obtaining legal advice from a qualified attorney or advisor. You should not act upon any such information without first seeking qualified professional counsel on your specific matter.

Meet the Team



Jean McGann, CPA
Abdo Financial Solutions Leader



Christine Powers, CPA
Abdo Tax Leader

Agenda

- Get to know Abdo
- Understand Investment Tax credit for Energy
- What is Qualified Commercial Vehicle Tax credit
- Identify alternative fuel refueling credits
- Questions and Answers



The History of Abdo

1963 - TODAY

Abdo



1963

Founder Joe Abdo establishes JM Abdo & Company in Mankato, MN thanks to a loan from his hardworking, Lebanese-immigrant mother.*



1973

Joe's oldest son, Jay, joins the firm along with his friend and fellow student, Gerry Eick. This sparks a successful period of quick growth.



1980

The growing firm opens an office in the Twin Cities area



1995

The firm changes its name to Abdo, Eick & Meyers, LLP to include partner Kyle Meyers' name in the brand.



2021-2024

The firm undergoes a comprehensive brand evolution and expands westward with offices in Scottsdale, Arizona and Salt Lake City, Utah



2025

Today, Abdo is ranked as a top accounting firm in the Midwest – committed to guiding our clients toward their goals.



**Fun Fact: The cash register used in her own small business can still be seen today in the lobby of our Edina office!*

*Lighting
the path
forward*

A FOUNDATION OF EXPERIENCE

For almost 60 years, our mission has been to serve as proactive problem-solvers, providing partnership and guidance so you can take every step forward with confidence.

A TRUSTED PARTNER

We at Abdo think differently than other firms: going above and beyond every time, providing ongoing guidance through every challenge, and developing meaningful relationships through mutual trust and understanding.

SPARKING CONFIDENCE

With a knowledge of your organization and a thoughtful planning process, we help you navigate efficiently and effectively, creating the confidence to fearlessly forge ahead and get to exactly where you want to be.



Who we are

Our teams are crafted to create powerful working relationships, both internally and externally—solving your challenges through close collaboration and a broad scope of expertise.

Industries we serve

*Construction / Real Estate
Professional Services
Government
Nonprofit
Manufacturing*

Services we provide

*Consulting & Advisory
HR & Payroll
Technology & Data
Compliance*



Questions about who we are?

Visit [abdosolutions.com](https://www.abdosolutions.com)

Industries & Services



Construction & Real Estate

Helping real estate and construction businesses navigate changing market conditions, and break ground in new markets.



Manufacturing

Helping manufacturers respond to changing regulations, economic conditions, supply costs, and competition.



Government

Going beyond what a typical auditor provides, helping local governments operate more efficiently.



Nonprofit

Finding efficiencies that help focus your resources—and your energies—on your mission.



Professional Services

Focusing on your finances and operations so you can keep your business profitable and serve your clients.



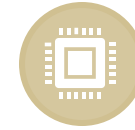
Consulting & Advisory

Including M&A, municipal advisory services, litigation support, forensic accounting, business valuation, and process evaluation & improvement.



HR & Payroll

Including human resources consulting, process consulting, hands-on workshops, and payroll services.



Technology & Data

Including strategic data analytics, software recommendations, implementation, and consulting.



Compliance

Including standard audit and tax services as well as specialty compliance services like employee benefit plan audits, research & development tax credits, SALT studies, and estate & trust planning.

What is the Inflation Reduction Act of 2022?

Who does the IRA credit benefit?

Tax-exempt and governmental entities, for the first time, are able to receive a payment equal to the full value of tax credits for building qualifying clean energy projects and purchases.

- State and Tribal Governments
- Public Institutions
- Nonprofit Entities



Clean Energy Production Tax Credit: code 45

Base PTC is \$5.50/MWh (>MW)

Enhanced values of \$27.50 MWH (<1MW

Additional 10% meeting domestic content requirements

Additional 10% for projects located in energy communities

Examples: Wind, biomass, geothermal, solar, small irrigation. Landfill and trash, hydropower

Example project

Governments:

A local government that owns and operates a municipal water utility can receive a clean energy production tax credit for installing floating solar on recycled water ponds at their wastewater facility.





Example project

Public Institution:

Schools that install rooftop solar are eligible to receive this tax credit and can receive additional bonus credits for being located in a designated community.

Clean Energy Investment Tax Credit: code 48

Base credit value is 6% (> 1MW)

Enhanced credit value is 30% (<1MW)

Additional 10% for meeting domestic content

Additional 10% for projects in energy
communities

Clean Energy Investment Tax Credit: code 48

Low-Income Communities Bonus Credit
(subject to a 1.8 GW program cap per year)

Additional 10% for low-income community or
tribal land (<5MW)

Additional 20% qualified low-income residential
building/economic benefit (<5MW)

Examples: solar, geothermal heating, battery
storage and more

Example project

Governments:

A local government that purchases solar and installs on property to reduce electrical costs.





Example project

Public Institution:

Schools can access the investment tax credit for qualified costs of renewable energy projects such as solar, geothermal heating, battery storage, and more.



Commercial Clean Vehicle Credit

Commercial clean vehicle credit up to \$40,000

Max credit of \$7500 for GVWR under 14,000 lbs

30% credit not powered by gasoline

15% credit for hybrid (gas and electric)

Example project

Governments:

A city purchases a large electric garbage truck for municipal waste collection. Through the Commercial Clean Vehicle Credit, the city can receive up to 30% or \$40,000 whichever is lower.





Example project

Public Institution:

Schools can take advantage of this tax credit for the purchase of commercial electric vehicles such as food service vehicles or electric school buses.



Charging Infrastructure

Changed starting in 2023 limited to property placed within low-income communities or non-urban census tracts

Credit up to 30% of the cost or \$100,000 which ever is less



How to claim the credit with the IRS



Process to claim credits

ID.me

Create an account on IRS website

Register EIN and credit type

Documentation

Invoices

Group by site

File returns

E-File by May 15th of the following year

Or extend until November 15th



Questions?