

NEWS RELEASE FOR IMMEDIATE RELEASE

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Tax-Exempt Entities Remain Eligible for IRS Credits for Solar and Wind through 2027; Geothermal and Energy Storage through 2034-35

NORTHWEST LOWER, MI - Under the Inflation Reduction Act (IRA), tax-exempt entities, such as municipalities, tribal governments, non-profits, public utilities, and public schools, can receive clean-energy-related tax credits through a mechanism called elective pay.

Elective pay, sometimes called direct pay, is designed to make it more cost-effective for tax-exempt organizations to implement and benefit from clean energy and electrification projects, such as solar, wind, geothermal, or energy storage (thermal or battery). After completing a qualifying project, eligible entities can file for the corresponding credit(s) with the IRS and receive a portion of the capital investments made on the project back in the form of a cash refund. Credits typically amount to 40% or 50% of eligible project costs.

A solar or wind project that starts construction **after July 4, 2026** must be placed in service **by December 31, 2027** in order to be eligible for that particular tax credit. Credits

Antrim • Benzie • Charlevoix • Emmet • Grand Traverse • Kalkaska • Leelanau • Manistee • Missaukee • Wexford

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Networks Northwest and Northwest Michigan Works! are supported by the State of Michigan and are proud partners of the American Job Center Network. Projects may be funded with the authorized and appropriate use of federal funds. Contact Networks Northwest for additional information. Equal opportunity employer/program. Auxiliary aids and service are available upon request to individuals with disabilities. Individuals with speech or hearing impairments may call the Michigan Relay Center by dialing 711.

remain available for geothermal and energy storage projects through 2034 and 2035, respectively.

Through funding from the *Michigan Infrastructure Office Technical Assistance Center*, Networks Northwest provides free assistance to help tax-exempt organizations understand what they need to do to meet the rules for obtaining the credits, and how to navigate the IRS pre-filing application process. Please contact **Stephanie Marchbanks**, the region's Elective Pay Program Ambassador, or visit nwm.org/electivepay for more information.

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NOTE to Media: Images are oftentimes available upon request by emailing Dana O'Dell at dana.odell@networksnorthwest.org and stating preferences for resolution, file format, and file size. Or phone (231) 929-5075. Check our online Media Room at networksnorthwest.org/media

Founded in 1974, Networks Northwest facilitates and manages various programs and services for the 10-county region. These programs include Northwest Michigan Works!, APEX Accelerator (formerly PTAC), various business services, and many different regional planning initiatives in response to our communities' requests and needs. You will see the broad spectrum of workforce, business, and community services Networks Northwest offers if you visit our website, networksnorthwest.org. Networks Northwest's member counties are Antrim, Benzie, Charlevoix, Emmet, Grand Traverse, Kalkaska, Leelanau, Manistee, Missaukee, and Wexford.

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