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# Value-added tax for energy storage projects

How has the energy storage industry progressed in 2024 & 2025?

The energy storage industry has continued to progress over the course of 2024 and into 2025, buoyed in significant part by the federal income tax benefits in the form of tax credits enacted under the Inflation Reduction Act of 2022 (IRA).

Are IRA tax benefits a viable option for energy storage facilities?

While the vitality of the IRA tax benefits in their current form is currently subject to uncertainty given the results of the 2024 federal general election, the existing market practice for financing energy storage facilities since the IRA's passage continues to evolve in reaction to the act's new requirements and opportunities.

Are energy storage projects eligible for a refundable ITC?

Energy storage projects owned by taxable entities are not eligible for a refundable ITC, but instead can take advantage of the new transferability rules. The IRA added a provision to permit project owners (other than tax-exempt entities) to make an election to transfer the ITC to an unrelated third party.

What are the New IRA rules for energy storage?

Energy storage was one of the major beneficiaries of the IRA's new rules on both the deployment and manufacturing sides. The IRA enacted the long-sought investment tax credit (ITC) under Section 48 and 48E of the Internal Revenue Code (the Code) for standalone energy storage facilities.

**Battery Energy Storage Revenue Streams** The varying uses of storage, along with differences in regional energy markets and regulations, create a range of revenue streams for ...

**Background** The U.S. Treasury Department and IRS on December 4, 2024, released final regulations (T.D. 10015) relating to the investment tax credit (ITC) for energy ...

**Developers accelerate construction as industry navigates foreign content restrictions and shifting clean energy priorities** The U.S. energy storage sector is expected to ...

The law modifies the tax benefits for non-conventional renewable energy projects, including the value-added tax exemption, the accelerated depreciation rate and the income tax deduction.

This document serves as a quick guide to the provisions in the legislation affecting the energy sector. The focus is particularly on clean energy initiatives, emphasizing the ...

**Budget reconciliation was the number one threat to energy storage's growth this year--and now turns out to be the number one boost to its future.** Within the realm of possible ...

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The One Big Beautiful Bill Act (OBBB) is set to dramatically reshape how grid scale and residential energy storage systems are treated under federal tax law. The new budget ...

On Aug. 16, 2022, President Joe Biden signed into law the Inflation Reduction Act of 2022 (IRA), which includes new and revised tax incentives for clean energy projects. This ...

The IRA expanded the investment tax credit by eliminating the requirement that a storage system be charged by solar and including stand-alone energy storage systems placed ...

Ever wondered why energy storage projects are suddenly the &quot;cool kids&quot; of renewable investments? Spoiler alert: tax incentives are playing matchmaker between green ...

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