

SolarMax Energy Systems

Change of investment entity energy storage project



Overview

Who can install energy-generation & storage property?

Tax-exempt and governmental entities, such as state and local governments, Tribes, religious organizations, and non-profits may install energy-generation and storage property to meet energy demands, reach clean energy transition goals, or save money on energy costs.

What are the tax benefits of investing in energy projects?

Investments in energy projects offer two primary tax benefits: the ITC and accelerated depreciation. Some developers cannot use these tax benefits themselves but can use them to incentivize tax equity investors that provide bridge financing until the projects receive cash payments.

What is the base tax credit for energy projects?

- For projects beginning construction on or after Jan. 29, 2023 or where the maximum net output is 1 MW or greater, the base tax credit is 6% of the taxpayer's basis in the energy property or qualified facility (or energy storage technology).

What are the major energy-related changes in the Energy Act?

Some of the other significant energy-related changes in the Act include: Denial of the PTC or ITC with respect to solar or small wind energy property that qualified for the residential clean energy credit under Section 25D of the Internal Revenue Code and is subject to a lease arrangement.

Are storage projects eligible for ITC & PTC?

Storage projects that start construction before 2033 will remain eligible for both the ITC and PTC. Those beginning in 2025 can receive an ITC of up to 50% under 48E if domestic content and labor standards are met, though the ITC will phase out entirely by 2035.

How does the inflation Reduction Act affect energy investment?

The Inflation Reduction Act also established the technology – neutral zero greenhouse gas (GHG) emission electricity investment credit under Sec. 48E, which replaces Sec. 48 as the primary tax incentive for investment in clean – energy facilities placed in service after 2024.

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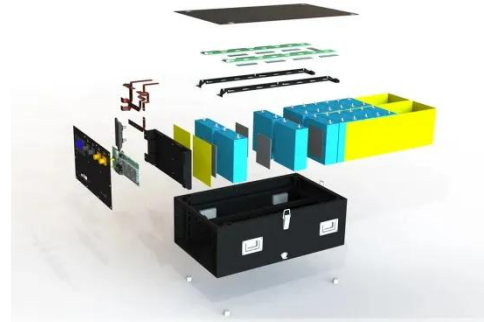
The One Big Beautiful Bill Modifies Renewable Energy ...

For a description of the renewable energy and energy storage-related changes made in the Inflation Reduction Act, see our prior alert. ...

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What Nonprofits Need to Know about the Investment Tax Credit ...

In the July 2025 "One Big Beautiful Bill Act," Congress terminated key aspects of the Investment Tax Credit (ITC) for solar and wind projects and created barriers for projects ...



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Incentives and credits tax provisions in "One Big Beautiful Bill ...

The Senate bill treats an entity as a foreign-influenced entity if the payments to the specified foreign entities are pursuant to an agreement that entitles the specified foreign entity ...

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Battery Energy Storage Financing Structures and Revenue ...

This Practice Note discusses changes to financing structures for battery storage projects after the enactment of the Inflation Reduction Act. This Note also discusses the fixed and variable ...



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Can energy storage tax credits be sold or transferred to other entities

Yes, energy storage tax credits can be sold or transferred to other entities. The Inflation Reduction Act of 2022 allows certain clean energy tax credits, including those for ...

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Clean Energy Tax Changes Cut Timelines, Add Red Tape , Balch ...

Stand-alone storage projects, or storage projects installed with a wind or solar facility, that begin construction by the end of 2033 will retain full eligibility for the Section 48E ...

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One Big Beautiful Bill Act Cuts the Power: Phase-Outs, Foreign-Entity



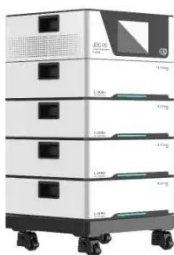
One Big Beautiful Bill Act Cuts the Power: Phase-Outs, Foreign-Entity Restrictions, and Domestic Content in Clean-Energy Credits Blog Tax Law Defined® Blog

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The One Big Beautiful Bill Act: Changing the ...

No changes in other areas of clean energy -- The tax credits for other clean energy technologies -- such as battery storage, geothermal, and ...

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Client Alert: Reconciliation Bill Passes House: Detailed Analysis ...

Introduction The House of Representatives has passed a sweeping tax reconciliation bill that makes significant changes to the U.S. energy tax credit regime. The bill, as originally reported ...

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One Big Beautiful Bill New Law Disrupts Clean Energy Investment

In contrast, the OBBB largely preserves tax credits into the next decade for newer clean energy technologies, like battery storage and carbon capture. However, all new clean ...

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"Prohibited Foreign Entity" Restrictions In The OBBBA Restrict

The prohibition on "material assistance" by Prohibited Foreign Entities for most projects that begin construction after 2025 imposes complex due diligence requirements on ...

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One Big Beautiful Bill New Law Disrupts Clean Energy ...

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Qualifying Advanced Energy Project Credit (48C) Frequently ...

A taxpayer can determine whether its



project is located within a § 48C(e)(e) Energy Communities Census Tract by referring to the list of Section 48C(e)(e) Energy Communities ...

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What the budget bill means for energy storage tax credit eligibility

Storage projects that start construction before 2033 will remain eligible for both the ITC and PTC. Those beginning in 2025 can receive an ITC of up to 50% under 48E if domestic ...



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Clean Energy Infrastructure Funding for Projects and Programs

Energy storage projects will improve the reliability of transmission and distribution systems, especially in traditionally high-energy cost rural areas; more efficiently supply energy at peak ...

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The One Big Beautiful Bill Modifies Renewable Energy

Tax Credits

For a description of the renewable energy and energy storage-related changes made in the Inflation Reduction Act, see our prior alert. Following is a summary of some of the more ...

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House Passes Major Cuts to IRA Clean Energy Tax Credit ...

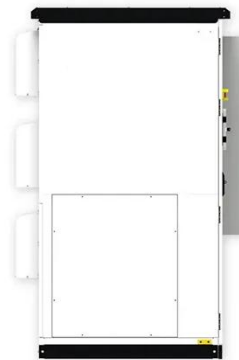
FEOC RULES: The Bill contains new Prohibited Foreign Entity ("PFE") rules that are applicable to the Clean Electricity Investment Tax Credit ("ITC") (§ 48E); the Clean ...

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How do tax equity investors benefit from standalone energy storage projects

Energy storage projects offer depreciation benefits, which can significantly enhance the return on investment for tax equity investors. Depreciation can add 10-20% to the project ...

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Foreign entity rules to transform clean energy tax credits



The landscape of clean energy tax credits is undergoing significant changes due to new restrictions on foreign entities. As outlined in the recent ...

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Publication 6045 (Rev. 2-2025)

Tax-exempt and governmental entities, such as state and local governments, Tribes, religious organizations, and non-profits may install energy-generation and storage property to meet ...

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What the budget bill means for energy storage tax ...

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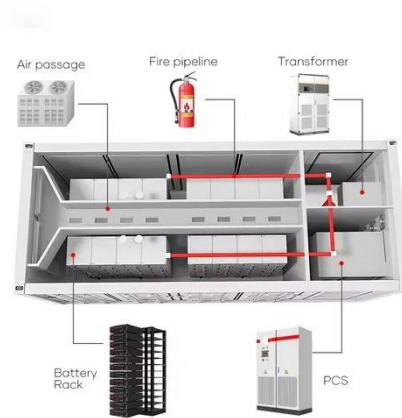
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House Passes One Big Beautiful Bill: Implications for Clean ...

KEY CHANGES TO CLEAN ENERGY TAX CREDITS The Bill substantially pares

back the existing clean energy tax credit regime by accelerating the termination of a number of credits, ...

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"Prohibited Foreign Entity" restrictions in the OBBBA restrict tax

"Prohibited Foreign Entity" restrictions in the OBBBA restrict tax credits in connection with Chinese investment in US-based energy storage projects

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Energy sector tax provisions in "One Big Beautiful Bill"

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 important ...

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Tax-exempt investment in partnerships holding energy properties

If tax - exempt entities invest in energy



projects through partnerships, careful consideration should be given to allocations under the respective partnership arrangements to ...

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48E Tax Credit: Claiming the Clean Electricity ITC

With a long-term policy signal available for investment into a wider range of clean technologies and systems, more industries could follow a ...

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