

What's changed with Elective Pay?

Here's a quick look at the key changes to select Elective Pay-eligible federal clean energy tax credits following the passage of the One Big Beautiful Bill Act (OBBBA).

Type of project & tax credit	Deadline *Indicates shorter timeline following OBBBA passage	How to act now
Plug-in hybrid & electric vehicles (45W)	9/30/25*	Prepare to claim credit for vehicles acquired by 9/30/25
EV chargers (30C)	6/30/26*	Place infrastructure in service by 6/30/26
Solar** & Wind** (48E)	12/31/27*	Start construction in 2025 if possible. If beginning construction after 7/4/2026, must place in service by 12/31/27.
Energy storage** (48E)		Start construction in 2025 if possible. Must begin construction by 12/31/34.
Hydropower** (48E)	12/31/34	If begin construction in: 2033: receive 75% of credit 2034: receive 50% of credit 2035 & onward: no credit
Geothermal (48)		

Prohibited Foreign Entity rules

These projects must comply with **new regulations created by OBBBA for projects involving equipment with components from – or entities with ties to – China, Russia, Iran, and North Korea. **These Prohibited Foreign Entity rules make projects ineligible for tax credits if:**

- The taxpayer itself is a Prohibited Foreign Entity
- The taxpayer makes payments to entities that are considered Prohibited Foreign Entities
- A certain percentage of manufactured products used in the project are made by Prohibited Foreign Entities
 - **Projects starting construction before 1/1/26 do not have to comply with this regulation.**



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