

Tribal Infrastructure Development Program



Nashville, TN Office

711 Stewarts Ferry Pike, Suite 100
Nashville, TN 37214
P: 615-872-7900 | F: 615-872-7417

Washington, DC Office

1730 Rhode Island Ave., NW, Suite 210
Washington, DC 20036

March 2024

Low-Income Communities Bonus Credit (26 U.S.C. § 48(e)) Application Process Fact Sheet – Program Year 2023

Introduction

To receive a bonus credit under section 48(e), applicants must complete registration and two application process phases via the online application portal.¹ First, the applicant must apply for an allocation under one of the four low-income community categories² (see Eligibility Fact Sheet). Second, if the applicant receives an allocation, it must place the facility in service within four years of receipt of an allocation and complete a placed-in-service submission to receive an eligibility letter from the Internal Revenue Service (IRS). Only after the IRS issues an eligibility letter may an applicant file with the IRS to receive the bonus credit.

Step 0: Pre-Application Registration

The registration process requires that a single individual create and submit applications on behalf of the applicant organization. The individual must attest that they have the authority to legally bind the organization.

1. Create or sign-in to your Login.gov account.
2. Complete pre-application registration via the application portal.

The following organizational information is required for registration: First Name, Last Name, Organization Name, Organization Email, Organization Phone, Secondary Contact First Name, Secondary Contact Last Name, Secondary Contact Email, Organization Street Address, City, State/Province/Region, Urbanization (Puerto Rico Only), Country, Employer Identification Number (EIN) or Taxpayer Identification Number (TIN), Parent TIN (If Parent Organization entered), and Organization Type.

Once the applicant has submitted their pre-filing registration, the submission will not be editable until the IRS either issues registration numbers or returns the submission with an explanation as to why no registration numbers were issued.

Step 1: Application for Allocation Submission

All applicants must submit the following information: Facility Location (including latitude and longitude to 5 decimals), Facility Technology Type (solar or wind), Facility Nameplate Capacity (kW AC and/or kW DC), Customer/Offtaker Type, Ownership Model, and Point of Interconnection (Behind-the-Meter, Front-of-Meter, or Off-Grid).

Applicants must also make the attestations listed in Table 4 of Revenue Procedure 2023-27,³ [such as that](#) the facility has obtained all applicable federal, state, Tribal, and local non-ministerial permits, or that the facility is not required to obtain such permits.

¹ *Low Income Communities Bonus Credit Program*, U.S. Dep't of Energy, <https://eco.energy.gov/ejbonus/s/> (last visited March 25, 2024).

² The categories are: Category 1 – Located in a Low-Income Community; Category 2 – Located on Indian Land; Category 3 – Qualified Low-Income Residential Building Project; Category 4 – Qualified Low-Income Economic Benefit Project.

³ Internal Revenue Serv., Revenue Proc. 2023-27 (Aug. 10, 2023), <https://www.irs.gov/pub/irs-drop/rp-23-27.pdf>.

Applicants must also submit the following supporting documentation:

Supporting Documentation	Category 1	Category 2	Category 3	Category 4
Final executed interconnection agreement (if applicable) or alternative documentation as defined in Table 2 of Revenue Procedure 2023-27	x	x	x	x
Documentation demonstrating that the applicant meets the Ownership Additional Selection Criteria as defined in Treas. Reg. § 1.48(e)-1(h)(2) (if applicable).	x	x	x	x
One of the following documents: <ul style="list-style-type: none"> An executed contract to purchase the facility; or An executed contract to lease the facility; or For behind-the-meter or off-grid facilities, an executed power purchase agreement for the facility, in their entirety inclusive of any amendments, appendices, consumer disclosures, and schedules thereto. 	x	x	x	
Documentation demonstrating the facility will be installed on an eligible residential building.			x	
Plans to ensure tenants receive required financial benefits, including a draft Benefits Sharing Statement			x	

Step 2: Placed in Service Submission

Applicants that receive an allocation must place the facility in service within four years of receipt of the allocation. Then, the applicant must submit the following placed-in-service information via the online application portal:

- Updated facility capacity, if applicable; and
- Placed in service date.

Applicants must also attest that there has been no material ownership and/or facility changes from the application.

Applicants must also submit the following supporting documentation:

Supporting Documentation	Category 1	Category 2	Category 3	Category 4
Permission to Operate (PTO) letter (or commissioning report for off-grid facilities) confirming that the facility has been placed in service and the location of the facility.	x	x	x	x

Final, Professional Engineer stamped (if required by applicable state or local law) as-built design plan, PTO letter with nameplate capacity listed, or other documentation from an unrelated party verifying as-built nameplate capacity.	x	x	x	x
Benefits Sharing Statement for qualified residential building projects between building owner and tenants as defined in Treas. Reg. § 1.48(e)-1(h)(2).			x	
Final list of low-income households served with the name, address, subscription share, and the income verification method used.				x
Spreadsheet demonstrating the expected financial benefit to low-income subscribers to demonstrate the 20 percent bill credit discount rate.				x

Once the applicant completes the entire application process and receives an eligibility letter from the IRS, it can claim the bonus credit on their tax return or file to receive a cash payment via an elective pay election.

Resources

Visit www.usetinc.org/infrastructure and www.energy.gov/justice/low-income-communities-bonus-credit-program for more information and links to additional resources.

For additional information regarding USET's Tribal Infrastructure Development Program, please contact Melanie Plucinski, USET Tribal Infrastructure Development Policy Analyst, at: mplucinski@usetinc.org