

# Tribal Infrastructure Development Program



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## Low-Income Communities Bonus Credit (26 U.S.C. § 48(e)) Eligibility Fact Sheet

### What is it?

The Low-Income Communities Bonus Credit Program adds a 10% or 20% increase to the existing 30% base energy investment tax credit for solar and wind facilities that meet the following criteria:

- For wind: The facility began construction before January 1, 2025 and is either:
  - Subject to an election to treat the facility as an “energy property” for purposes of the Section 48 investment credit; or
  - Uses a wind turbine which has a nameplate capacity of less than or equal to 100 kilowatts;
- For solar: The facility uses solar energy to:
  - Generate electricity;
  - Heat or cool (or provide hot water for use in) a structure;
  - Provide solar process heat (except property used to generate electricity to heat a swimming pool);
- Have a maximum net output of less than 5 Megawatts as measured in alternating current; and
- Meet one of the categories described below.

### Low-Income Communities Bonus Credit Categories

#### *Category 1: Located in a Low-Income Community (10% Bonus)*

A facility will qualify for this category if 50% of the facility’s nameplate capacity is in the following areas:

- A population census tract where the “poverty rate” (the number of households in poverty) is at least 20% based on the data currently used for the New Markets Tax Credit; or
- The median family income for a population census tract does not exceed 80% of statewide median income; or
- In a metropolitan area, the median family income for a population census tract does not exceed 80% of either statewide median family income or metropolitan area median income, whichever is the greater.

*Category 2: Located on Indian Land (10% Bonus)*

The term “Indian land” is as defined in section 2601(2) of the Energy Policy Act of 1992, as amended (codified at 25 U.S.C. § 3501(2)).

*Category 3: Qualified Low-Income Residential Building Project (20% Bonus)*

A facility will qualify for this category if it is installed on:

- A residential rental building which participates in a covered housing program listed in the Violence Against Women Act (34 U.S.C. § 12491(a)(3)); or
- A housing assistance program administered by the Department of Agriculture under Title V of the Housing Act of 1949 (42 U.S.C. § 1471 *et seq.*); or
- A housing program administered by a Tribally designated housing entity, as defined by the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. § 4103(22)); and

The financial benefits of the electricity produced by such facility are allocated equitably among the occupants of the dwelling units of such building in accordance with the requirements of Treas. Reg. § 1.48(e)-1(e).

*Category 4: Qualified Low-Income Economic Benefit Project (20% Bonus)*

A facility will be treated as part of a qualified low-income economic benefit project if at least 50% of the financial benefits of the electricity produced by the facility are provided to households with income of less than:

- 200% of the poverty line, as defined by 26 U.S.C. § 36B(d)(3)(A), applicable to a family of the size involved; or
- 80% of area median gross income, as defined by 26 U.S.C. § 142(d)(2)(B).

**Resources**

Visit [www.usetinc.org/infrastructure](http://www.usetinc.org/infrastructure) and [www.energy.gov/justice/low-income-communities-bonus-credit-program](http://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](mailto:mplucinski@usetinc.org)*