

## ContainerPower Energy Solutions

# Energy storage project income tax deduction ratio



## Overview

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This report reflects the legislation signed into law by the president on July 4, 2025 (Pub. L. No. 119-21) and was last updated on July 21, 2025. President Trump on July 4, 2025, signed into law the bill commonly referred to as the “One Big Beautiful Bill” (OB3), H.R. 1. This document serves as a.

Eligible tax-exempt and governmental entities can claim the § 48 ITC and § 48E Clean Electricity ITC for qualified energy property through a new mechanism called elective pay (also known as “direct pay”). To learn more about the process and relevant deadlines, see pre-filing registration. What.

The ITC allows US taxpayers to deduct a specific percentage of renewable energy project expenses from their federal taxes. It has been instrumental in building the renewable energy market in the US, making clean energy technologies more affordable as the market has matured. The ITC was first.

The One Big Beautiful Bill Act (OB3) is set to dramatically reshape how grid scale and residential energy storage systems are treated under federal tax law. The new budget package revises critical incentives laid out by the IRA, focusing particularly on foreign sourcing restrictions, new domestic.

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 alert provides a summary of the IRA’s impact on tax credits for energy storage technologies, which were extended and.

Technology-neutral investment tax credits are now available for clean energy projects constructed or supplying energy in 2025. Editor's Note: Since the OBBA was signed into law on July 4, 2025, there are new rules and timelines that impact the 48E Tax Credit. We recommend reviewing our recent post.

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