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biomass, geothermal, landfill gas, trash, and hydropower.

May. 27, 2020



The Treasury Department and the IRS are providing relief for taxpayers developing renewable energy projects and producing electricity from sources such as wind, biomass, geothermal, landfill gas, trash, and hydropower. Safe harbor is also available for taxpayers using technologies such as solar panels, fuel cells, microturbines, and combined heat and power systems.

The IRS recognizes that COVID-19 has caused industry-wide delays in the supply

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Notice 2020-41 also provides assurance for taxpayers who started construction by incurring 5 percent of project costs, and made payments for services or property and reasonably expected to receive such services or property within 3 ½ months. These taxpayers are considered incurred under economic performance rules. The Notice provides that if such services or property are received by October 15, 2020, the taxpayer's expectations at the time of the 2019 payment are deemed reasonable.

Extending the Continuity Safe Harbor and providing a 3½ Month Safe Harbor will provide flexibility for taxpayers to satisfy the beginning of construction requirements and limit the impact of COVID-19-related delays on the ability to claim tax credits.

Additional information about tax relief for businesses affected by the COVID-19 pandemic can be found on [IRS.gov](https://www.irs.gov).

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