

## Part III – Administrative, Procedural, and Miscellaneous

### Domestic Content Bonus Credit Guidance under Sections 45, 45Y, 48, and 48E

Notice 2023-38

#### SECTION 1. PURPOSE

The Department of the Treasury (Treasury Department) and the Internal Revenue Service (IRS) intend to propose regulations (forthcoming proposed regulations) addressing the application of the rules that taxpayers must satisfy to qualify for the domestic content bonus credit amounts under §§ 45, 45Y, 48, and 48E of the Internal Revenue Code (Code).<sup>1</sup> Public Law 117-169, 136 Stat. 1818 (August 16, 2022), commonly known as the Inflation Reduction Act of 2022 (IRA), amends §§ 45 and 48 to provide a domestic content bonus credit amount for certain qualified facilities or energy projects placed in service after December 31, 2022, and adds new §§ 45Y and 48E, which include a domestic content bonus credit amount for certain investments in qualified facilities or energy storage technologies placed in service after December

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<sup>1</sup> Unless otherwise specified, all “section” or “§” references are to sections of the Code or the Income Tax Regulations (26 CFR part 1).

31, 2024.<sup>2</sup> This notice describes certain rules that the Treasury Department and the IRS intend to include in the forthcoming proposed regulations regarding the domestic content bonus credit requirements and related recordkeeping and certification requirements. This notice also describes a safe harbor regarding the classification of certain components in representative types of qualified facilities, energy projects, or energy storage technologies. The Treasury Department and the IRS intend to propose that the forthcoming proposed regulations will apply to taxable years ending after May 12, 2023. Taxpayers may rely on the rules described in sections 3 through 6 of this notice for the domestic content bonus credit requirements for any qualified facility, energy project, or energy storage technology the construction of which begins before the date that is 90 days after the date of publication of the forthcoming proposed regulations in the *Federal Register*.

## SECTION 2. BACKGROUND

.01 Domestic Content Bonus Credit Amounts. For purposes of this notice, an “Applicable Project” refers to: (i) a qualified facility under §§ 45 or 45Y; (ii) an energy project under § 48, which may include qualified property for which a valid irrevocable election under § 48(a)(5) has been made to treat such qualified property as energy property under § 48; or (iii) a qualified investment with respect to a qualified facility or energy storage technology under § 48E.

Domestic content bonus credit amounts are available under §§ 45(b)(9), 45Y(g)(11), 48(a)(12), and 48E(a)(3)(B) to increase the amount of a credit determined

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<sup>2</sup> See § 13101(g) of the IRA for the domestic content bonus credit under § 45(b)(9), § 13701(a) of the IRA for the domestic content bonus credit under § 45Y(g)(11), § 13102(l) of the IRA for the domestic content bonus credit under § 48(a)(12), and § 13702(a) of the IRA for the domestic content bonus credit under § 48E(a)(3)(B).

under § 45 (§ 45 credit), § 45Y (§ 45Y credit), § 48 (§ 48 credit), and § 48E (§ 48E credit), respectively, for a taxpayer whose Applicable Project satisfies the domestic content requirement set forth in § 45(b)(9)(B)(i) (incorporated by cross-reference in § 48(a)(12), which is incorporated by cross-reference in § 48E(a)(3)(B)) and in § 45Y(g)(11)(B)(i) (Domestic Content Requirement). A taxpayer establishes that the Domestic Content Requirement is satisfied with respect to an Applicable Project by certifying to the Secretary of the Treasury or her delegate (Secretary) (at such time, and in such form and manner, as the Secretary may prescribe) that “any steel, iron, or manufactured product which is a component of [the Applicable Project] (upon completion of construction) was produced in the United States (as determined under section [sic] 661 of title 49, Code of Federal Regulations).” See §§ 45(b)(9)(B)(i) and 45Y(g)(11)(B)(i). Sections 661.1 through 661.21 of title 49 of the Code of Federal Regulations, which are known as the Buy America Requirements, that are administered by the Federal Transit Administration (FTA), Department of Transportation.

Section 45(b)(9)(A) provides that in the case of any § 45 qualified facility, the amount of the § 45 credit (determined after application of § 45(b)(1) through (8)) is increased by 10 percent (not 10 percentage points) if the Domestic Content Requirement is satisfied. Similarly, for any § 45Y qualified facility placed in service after December 31, 2024, § 45Y(g)(11)(A) provides that the amount of the § 45Y credit (determined without application of § 45(g)(7)) is increased by 10 percent (not 10 percentage points) if the Domestic Content Requirement is satisfied.

Section 48(a)(12)(C) provides a domestic content bonus credit amount for a § 48 energy project by increasing the “energy percentage” provided in § 48(a)(2), which is

used to determine the amount of the § 48 credit, by 10 percentage points if (1) the Domestic Content Requirement is satisfied and (2) any one of the following requirements is satisfied (and by 2 percentage points if the Domestic Content Requirement is satisfied and none of the following requirements are satisfied): (i) the energy project has a maximum net output of less than 1 megawatt of electrical (as measured in alternating current) or thermal energy; (ii) construction of the energy project began before January 29, 2023;<sup>3</sup> or (iii) the energy project satisfies the prevailing wage and apprenticeship requirements in §§ 48(a)(10)(A) and (11).

If the Domestic Content Requirement is satisfied for any § 48E qualified investment with respect to a qualified facility or energy storage technology placed in service after December 31, 2024, § 48E(a)(3)(B) provides that rules similar to the rules of § 48(a)(12) apply for determining whether the domestic content bonus credit amount increases the “applicable percentage” provided in § 48E(a)(2) by 10 percentage points or 2 percentage points.

Sections 45(b)(12) and 48(a)(16) authorize the Secretary to issue such regulations or other guidance as the Secretary determines necessary to carry out the purposes of §§ 45(b) and 48(a) (and therefore the domestic content bonus credit rules in §§ 45(b)(9), 48(a)(12), and 48E(a)(3)(B) (by cross-reference to § 48(a)(12)), including regulations or other guidance that provide requirements for recordkeeping or information reporting for purposes of administering the requirements of §§ 45(b) and 48(a). Similarly, § 45Y(f) authorizes the Secretary to issue guidance regarding the

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<sup>3</sup> January 29, 2023 is the date 60 days after the November 30, 2022, publication date of Notice 2022-61, 2022-52 I.R.B. 560 (87 F.R. 73580 as corrected in 87 F.R. 75141), which provides initial guidance regarding the prevailing wage and apprenticeship requirements in § 48(a)(10)(A) and (11) and other sections of the Code.

implementation of § 45Y (and therefore § 45Y(g)(11)), including the determination of the amount of § 45Y credits.

.02 Steel, Iron, or Manufactured Products. In general, the Domestic Content Requirement applies to any steel, iron, or Manufactured Product (as defined in section 3.01(2)(c) of this notice) that is a component of an Applicable Project. Sections 45(b)(9)(B)(ii) and 45Y(g)(11)(B)(ii) provide that the Domestic Content Requirement for steel or iron applies in a manner consistent with section 661.5 of title 49, Code of Federal Regulations.

Sections 45(b)(9)(B)(iii) and 45Y(g)(11)(B)(iii) provide that “manufactured products which are components of a qualified facility upon completion of construction shall be deemed to have been produced in the United States if not less than the adjusted percentage . . . of the total costs of all such manufactured products of such facility are attributable to manufactured products (including components) which are mined, produced, or manufactured in the United States” (Adjusted Percentage Rule).

Section 45(b)(9)(C) provides that, for purposes of § 45(b)(9)(B)(iii), the adjusted percentage is 40 percent, or 20 percent in the case of a qualified facility that is an offshore wind facility. Under § 45Y(g)(11)(C) the adjusted percentage increases from 40 percent for qualified facilities the construction of which begins before 2025 to 55 percent for qualified facilities the construction of which begins after 2026, and from 20 percent for a qualified facility that is an offshore wind facility the construction of which begins before 2025 to 55 percent in the case of a qualified facility that is an offshore wind facility the construction of which begins after 2027.

As provided in section 2.01 of this notice, § 48(a)(12)(B) provides that rules

similar to the rules of § 45(b)(9)(B) apply for purposes of determining the domestic content bonus credit amount under § 48. Similarly, § 48E(a)(3)(B) provides that rules similar to the rules of § 48(a)(12) apply for purposes of determining the domestic content bonus credit amount under § 48E.

### SECTION 3. GUIDANCE WITH RESPECT TO THE DOMESTIC CONTENT REQUIREMENT

#### .01 Domestic Content Requirement.

(1) In general. An Applicable Project is eligible for a domestic content bonus credit amount if the Applicable Project satisfies the Domestic Content Requirement and the taxpayer timely submits to the IRS the certification described in section 5 of this notice. An Applicable Project satisfies the Domestic Content Requirement if the Steel or Iron Requirement described in section 3.02 of this notice and the Manufactured Products Requirement described in section 3.03 of this notice are satisfied.

(2) Definitions. The following definitions apply for purposes of the Domestic Content Requirement.

(a) Applicable Project Component. “Applicable Project Component” means any article, material, or supply, whether manufactured or unmanufactured, that is directly incorporated into an Applicable Project. An Applicable Project Component may qualify as steel, iron, or a Manufactured Product.

(b) Manufactured. “Manufactured” means produced as a result of the manufacturing process.

(c) Manufactured Product. “Manufactured Product” means an item produced as a result of the manufacturing process.

(d) Manufactured Product Component. “Manufactured Product Component”

means any article, material, or supply, whether manufactured or unmanufactured, that is directly incorporated into an Applicable Project Component that is a Manufactured Product.

(e) Manufacturing Process. “Manufacturing process” means the application of processes to alter the form or function of materials or of elements of a product in a manner adding value and transforming those materials or elements so that they represent a new item functionally different from that which would result from mere assembly of the elements or materials.

(f) Mined. “Mined” means derived from the extraction of ores or minerals from the ground or from the waste or residue of prior mining.

(g) Produced. “Produced,” with respect to a Manufactured Product Component, has the same meaning as the term “manufactured” as defined in section 3.01(2)(b) of this notice.

(h) United States. “United States” means the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

.02 Steel or Iron Requirement.

The Domestic Content Requirement with respect to steel or iron (Steel or Iron Requirement) applies in a manner consistent with 49 CFR § 661.5(b) and (c). See §§ 45(b)(9)(B)(ii) and 45Y(g)(11)(B)(ii). The Steel or Iron Requirement is met if, consistent with 49 CFR § 661.5(b) and (c), all manufacturing processes with respect to any steel or iron items that are Applicable Project Components take place in the United States, except metallurgical processes involving refinement of steel additives. The

Steel or Iron Requirement applies to Applicable Project Components that are construction materials made primarily of steel or iron and are structural in function. The Steel or Iron Requirement does not apply to steel or iron used in Manufactured Product Components or subcomponents of Manufactured Product Components. For example, items such as nuts, bolts, screws, washers, cabinets, covers, shelves, clamps, fittings, sleeves, adapters, tie wire, spacers, door hinges, and similar items that are made primarily of steel or iron but are not structural in function are not subject to the Steel or Iron Requirement.

.03 Manufactured Products Requirement.

(1) In General. The Domestic Content Requirement with respect to Manufactured Products (Manufactured Products Requirement) applies in a manner consistent with 49 CFR § 661.5(d). See §§ 45(b)(9)(B)(i) and 45Y(g)(11)(B)(i). The Manufactured Products Requirement is met if all Applicable Project Components that are Manufactured Products are produced in the United States or are deemed to be produced in the United States. All Applicable Project Components that are Manufactured Products are deemed to be produced in the United States if the Adjusted Percentage Rule described in section 3.03(2) of this notice is satisfied.

A Manufactured Product is considered to be produced in the United States (U.S. Manufactured Product) if: (1) all of the manufacturing processes for the Manufactured Product take place in the United States; and (2) all of the Manufactured Product Components of the Manufactured Product are of U.S. origin. A Manufactured Product Component is considered to be of U.S. origin if it is manufactured in the United States, regardless of the origin of its subcomponents. See 49 CFR § 661.5(d). This notice



refers to a Manufactured Product that is not a U.S. Manufactured Product as a “Non-U.S. Manufactured Product.”

(2) Adjusted Percentage Rule

(a) In general. For purposes of the Adjusted Percentage Rule, the percentage produced by dividing the Domestic Manufactured Products and Components Cost (as described in section 3.03(2)(b) of this notice) by the Total Manufactured Products Cost (as described in section 3.03(2)(c) of this notice) is the “Domestic Cost Percentage” calculated for an Applicable Project. If the Domestic Cost Percentage for an Applicable Project equals or exceeds the adjusted percentage that applies to the Applicable Project, then the Applicable Project satisfies the Adjusted Percentage Rule.

(b) Domestic Manufactured Products and Components Cost. The Domestic Manufactured Products and Components Cost is the sum of the costs of an Applicable Project’s (1) U.S. Manufactured Products that are Applicable Project Components and (2) Manufactured Product Components of Non-U.S. Manufactured Products that are Applicable Project Components if the Manufactured Product Components are mined, produced, or manufactured in the United States (U.S. Component). Consistent with 49 CFR § 661.5(d), a Manufactured Product Component that is manufactured is a U.S. Component if it is manufactured or produced in the United States, regardless of the origin of its subcomponents. A Manufactured Product Component that is not manufactured is a U.S. Component if it is mined in the United States.

For purposes of determining the Domestic Manufactured Products and Components Cost for an Applicable Project, the cost of a U.S. Manufactured Product or U.S. Component includes only direct costs as defined in § 1.263A-1(e)(2)(i), that is,

direct materials and direct labor costs, that are paid or incurred within the meaning of § 461 by the U.S. Manufactured Product's manufacturer to produce the U.S. Manufactured Product or by the Non-U.S. Manufactured Product's manufacturer to produce or acquire the U.S. Component. The Domestic Manufactured Products and Components Cost does not include the direct materials or direct labor costs that are paid or incurred within the meaning of § 461 by the Non-U.S. Manufactured Product's manufacturer to produce the Non-U.S. Manufactured Product. Direct costs, including direct labor costs, of incorporating the Applicable Project Components into the Applicable Project are not counted in the Domestic Manufactured Products and Components Cost.

For purposes of this notice, the manufacturer of a U.S. Manufactured Product or a Non-U.S. Manufactured Product is the person that performed the manufacturing process that produced the U.S. Manufactured Product or the Non-U.S. Manufactured Product. The rules under § 263A that are used to determine whether a taxpayer is engaged in production or resale activities for purposes of § 263A do not apply for purposes of this notice.

(c) Total Manufactured Products Cost. The Total Manufactured Products Cost for an Applicable Project is the sum of the costs of each Applicable Project Component that is a Manufactured Product. For purposes of determining the Total Manufactured Products Cost for an Applicable Project, the cost of an Applicable Project Component that is a Manufactured Product includes only direct costs as defined in § 1.263A-1(e)(2)(i) that are paid or incurred within the meaning of § 461 by the manufacturer of the Manufactured Product to produce the Manufactured Product. For purposes of this

notice, the manufacturer of a U.S. Manufactured Product or a Non-U.S. Manufactured Product is the person that performed the manufacturing process that produced the U.S. Manufactured Product or the Non-U.S. Manufactured Product. The rules under § 263A that are used to determine whether a taxpayer is engaged in production or resale activities for purposes of § 263A do not apply for purposes of this notice.

(d) Adjusted Percentage Rule Example.

Taxpayer purchases Applicable Project A from Contractor under an engineering, procurement, and construction contract and places Applicable Project A in service. Applicable Project A has two Applicable Project Components that are Manufactured Products.

Contractor performed the manufacturing process that produced Applicable Project A's first manufactured product (Manufactured Product 1). Manufactured Product 1 is manufactured in the United States and has two Manufactured Product Components (Components 1A and 1B) that are manufactured in the United States. Manufactured Product 1 is a U.S. Manufactured Product because it and both of its Manufactured Product Components are produced in the United States.

Supplier performed the manufacturing process that produced Applicable Project A's second manufactured product (Manufactured Product 2). Contractor purchased Manufactured Product 2 from Supplier. Manufactured Product 2 is manufactured in the United States and has three Manufactured Product Components. Manufactured Product 2's first Manufactured Product Component (Component 2A) is manufactured in the United States, its second Manufactured Product Component (Component 2B) is manufactured in the United States, and its third Manufactured Product Component (Component 2C) is manufactured outside of the United States. Manufactured Product 2 is a Non-U.S. Manufactured Product because Component 2C is manufactured outside of the United States. Components 2A and 2B are U.S. Components because they are manufactured in the United States.

All costs shown in the table below are the direct costs (as defined in § 1.263A-1(e)(2)(i)) of producing the Manufactured Product or producing or acquiring the Manufactured Product Component that were paid or incurred within the meaning of § 461 by the manufacturer of the Manufactured Product. Contractor is the manufacturer of Manufactured Product 1, and Supplier is the manufacturer of Manufactured Product 2.

**Table 1 – Direct Costs of Manufactured Products 1 and 2**

<b>Asset</b>	<b>Cost</b>
Manufactured Product 1	\$100
Component 1A	30
Component 1B	45
Manufactured Product 2	\$200
Component 2A	30
Component 2B	50
Component 2C	100

Applicable Project A's Domestic Manufactured Products and Components Cost consists of the cost of Manufactured Product 1 (\$100), Component 2A (\$30), and Component 2B (\$50) for a total of \$180. Applicable Project A's Total Manufactured Products Cost consists of the cost of Manufactured Product 1 (\$100) and Manufactured Product 2 (\$200) for a total of \$300. Applicable Project A's Domestic Cost Percentage is 60% (\$180 divided by \$300). Applicable Project A satisfies the Adjusted Percentage Rule because its Domestic Cost Percentage of 60% exceeds the adjusted percentage. Thus, Manufactured Products 1 and 2 are both deemed to have been produced in the United States under the Adjusted Percentage Rule.

.04 Safe Harbor for Classifications of Certain Applicable Project Components. The Treasury Department and the IRS identified certain Applicable Project Components that may be found in utility-scale photovoltaic systems, land-based wind facilities, offshore wind facilities, and battery energy storage technologies. The FTA provided assistance in evaluating the classification of the identified Applicable Project Components. The categorization of each item described in Table 2 of this notice as subject to either the Steel or Iron Requirement or Manufactured Product Requirement is based on the FTA's analysis and will be accepted by the IRS for those Applicable Project Components and Manufactured Product Components. In conducting this analysis, which involves energy technologies that the FTA would not ordinarily analyze under its regulations with respect to public transportation projects, the FTA has relied on the expert technical assistance of the Department of Energy (DOE), particularly with respect to the function of

Applicable Project Components identified by the Treasury Department and the IRS, the manufacturing processes involved in producing them, and the identification of certain Manufactured Product Components of specified Manufactured Products. The technologies analyzed are different from public transportation, and the IRA includes specific rules on domestic content (such as a minimum required percentage for manufactured products) that are different from those in the FTA's Buy America statute and regulations. Thus, conclusions about how the items described in Table 2 are classified under the IRA do not constitute precedent for future the FTA implementation of its Buy America requirements to federally funded public transportation projects.

The Applicable Project Components described in Table 2 of this notice may not be an exhaustive set of all Applicable Project Components for those types of Applicable Projects. The Applicable Projects and Applicable Project Components described in Table 2 must meet the statutory requirements for the relevant credit under §§ 45, 45Y, 48, or 48E to be eligible for such credit and a domestic content bonus credit amount.

**Table 2 – Categorization of Applicable Project Components**

<b>Applicable Project</b>	<b>Applicable Project Component</b>	<b>Categorization</b>
Utility-scale photovoltaic system	Steel photovoltaic module racking	Steel/Iron
	Pile or ground screw	Steel/Iron
	Steel or iron rebar in foundation (e.g., concrete pad)	Steel/Iron
	Photovoltaic tracker	Manufactured Product
	Photovoltaic module (which includes the following Manufactured Product Components, if applicable: photovoltaic cells, mounting frame or backrail, glass, encapsulant, backsheet, junction box (including pigtails and connectors), edge seals, pottants, adhesives, bus ribbons, and bypass diodes)	Manufactured Product
	Inverter	Manufactured Product
Land-based wind facility	Tower	Steel/Iron
	Steel or iron rebar in foundation (e.g., spread footing)	Steel/Iron
	Wind turbine (which includes the following Manufactured Product Components, if applicable: the nacelle, blades, rotor hub, and power converter)	Manufactured Product
	Wind tower flanges	Manufactured Product
Offshore wind facility	Tower	Steel/Iron
	Jacket foundation	Steel/Iron
	Wind tower flanges	Manufactured Product
	Wind turbine (which includes the following Manufactured Product Components, if applicable: the nacelle, blades, rotor hub, and power converter)	Manufactured Product
	Transition piece	Manufactured Product
	Monopile	Manufactured Product
	Inter-array cable	Manufactured Product
	Offshore substation	Manufactured Product
	Export cable	Manufactured Product

Battery energy storage technology	Steel or iron rebar in foundation (e.g., concrete pad)	Steel/Iron
	Battery pack (which includes the following Manufactured Product Components, if applicable: cells, packaging, thermal management system, and battery management system)	Manufactured Product
	Battery container/housing	Manufactured Product
	Inverter	Manufactured Product

**SECTION 4. RETROFITTED PROJECTS**

.01 In General. An Applicable Project may qualify as originally placed in service even though it contains some used property, provided the fair market value of the used property is not more than 20 percent of the Applicable Project's total value calculated by adding the cost of the new property to the value of the used property (80/20 Rule). See Rev. Rul. 94-31, 1994-1 C.B. 16; Notice 2008-60, 2008-2 C.B. 178. The cost of new property includes all costs properly included in the depreciable basis of the new property. See Notice 2017-4, 2017-3 I.R.B. 541.

.02 Application to the Domestic Content Requirement. An Applicable Project that is placed in service after December 31, 2022, and meets the 80/20 Rule is eligible for a domestic content bonus credit amount if the new property in the Applicable Project meets the Domestic Content Requirement and the taxpayer complies with the requirements described in this notice.

**SECTION 5. CERTIFICATION REQUIREMENTS**

.01 Certification Statement.

(1) In General. Sections 45(b)(9)(B)(i), 45Y(g)(11)(B)(i), 48(a)(12)(B), and 48E(a)(3)(B) authorize the Secretary to prescribe the time, form, and manner for

certifying compliance with the Domestic Content Requirement.

(2) Certification Procedures.

(a) A taxpayer must submit to the IRS a statement certifying for each Applicable Project for which the taxpayer is reporting a domestic content bonus credit amount under §§ 45, 45Y, 48, or 48E that any steel or iron items subject to the Steel or Iron Requirement or Manufactured Product that is a component of the Applicable Project upon completion of construction was produced in the United States (Domestic Content Certification Statement).

(b) The Domestic Content Certification Statement must be attached to Form 8835, *Renewable Electricity Product Credit*, Form 3468, *Investment Credit*, or other applicable form for reporting domestic content bonus credit amounts under §§ 45, 45Y, 48, or 48E filed with the taxpayer's annual return submitted to the IRS for the first taxable year in which the taxpayer reports a domestic content bonus credit amount for such Applicable Project. For each taxable year after the first taxable year in which a taxpayer initially reports a domestic content bonus credit amount under §§ 45 or 45Y for an Applicable Project, a taxpayer must attach a copy of the Domestic Content Certification Statement that was initially submitted to the IRS with the annual return for the first taxable year.

(c) The Domestic Content Certification Statement must also include the following information for each Applicable Project:

(i) Whether the Applicable Project is a qualified facility, energy project, or energy storage technology;



- (ii) The specific type of Applicable Project (for example, Utility-Scale Photovoltaic System or Battery Energy Storage Technology);
- (iii) The geographic coordinates of an Applicable Project and the address of the Applicable Project, if applicable;
- (iv) The date the Applicable Project was placed in service;
- (v) The total domestic content bonus credit amount determined under §§ 45(b)(9), 45Y(g)(11), 48(a)(12), or 48E(a)(3)(B) with respect to the Applicable Project in the first taxable year in which the taxpayer reports a domestic content bonus credit amount for such Applicable Project; and
- (vi) Any additional information with respect to the Applicable Project that is required by the applicable forms and instructions for reporting domestic content bonus credit amounts determined under §§ 45, 45Y, 48, or 48E.
- (vii) The Domestic Content Certification Statement must be signed by a person with legal authority to bind the taxpayer and contain the following statement: “Under penalties of perjury I declare that I have examined the information contained in this Domestic Content Certification Statement and to the best of my knowledge and belief, it is true, correct, and complete.”

.02 Timing of Certification. A taxpayer must certify that an Applicable Project meets the Domestic Content Requirement as of the date the Applicable Project is placed in service. The date an Applicable Project is considered placed in service for purposes of this notice is the date on which such property is placed in a condition or state of readiness and availability for a specifically assigned function, whether in a trade or business or in the production of income.

## SECTION 6. SUBSTANTIATION

A taxpayer reporting a domestic content bonus credit amount for meeting the Domestic Content Requirement must meet the general recordkeeping requirements under § 6001 in order to substantiate that the Domestic Content Requirement has been met. Section 6001 provides that every person liable for any tax imposed by the Code, or for the collection thereof, must keep such records as the Secretary may from time to time prescribe. Section 1.6001-1(a) provides that any person subject to income tax must keep such permanent books of account or records as are sufficient to establish the amount of gross income, deductions, credits, or other matters required to be shown by such person in any return of such tax. Section 1.6001-1(e) provides that the books and records required by § 1.6001-1 must be retained so long as the contents thereof may become material in the administration of any internal revenue law. See also §§ 45(b)(12), 48(a)(16), 48E(a)(3)(B) (by cross-reference to § 48(a)(12)), and 45Y(f).

## SECTION 7. PAPERWORK REDUCTION ACT

Any collection burden associated with this notice is accounted for in Office of Management and Budget (OMB) control numbers 1545-0123 and 1545-0047. The collections of information associated with the IRA-related changes to Form 3468 and Form 8835 were approved, and will continue to be approved, under OMB control numbers 1545-0123 and 1545-0047. This notice does not alter any previously approved information collection requirements and does not create new collection requirements not already approved by OMB.

## SECTION 8. DRAFTING INFORMATION

The principal author of this notice is the Office of Associate Chief Counsel

(Passthroughs & Special Industries). However, other personnel from the Treasury Department and the IRS participated in its development. For further information regarding this notice, call the energy security guidance contact number at (202) 317-5254 (not a toll-free call).