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# Instructions for Form 7210

## Clean Hydrogen Production Credit

Section references are to the Internal Revenue Code unless otherwise noted.

### Future Developments

For the latest information about developments related to Form 7210 and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form7210](https://www.irs.gov/Form7210).

### What's New

**New Form 7210.** Beginning in 2023, new Form 7210, Clean Hydrogen Production Credit, will be used to claim the section 45V clean hydrogen production credit.

**Facility information.** As a result of recent tax law changes, Form 7210 and its instructions were developed to require separate information and calculation of the clean hydrogen production credit for each qualified production facility. See [Facility Information](#), later.

**Tax-exempt and governmental entities.** For tax years beginning after 2022, applicable entities (such as certain tax-exempt and governmental entities) can elect to treat the clean hydrogen production credit as a payment of income tax. See [Applicable entities](#), later.

**Credit transfers.** For tax years beginning after 2022, eligible taxpayers, partnerships, and S corporations can elect to transfer all or part of the credit amount otherwise allowed as a general business credit to an unrelated third-party buyer in exchange for cash. Eligible taxpayers don't include applicable entities. See [Credit transfers](#), later.

**Pre-filing registration.** The IRS has established a pre-filing registration that must be completed prior to electing payment or transfer of the clean hydrogen production credit. See [Pre-filing registration requirement for payments or transfers](#), later.

## General Instructions

### Purpose of Form

Use a separate Form 7210 to claim the section 45V credit for the production of qualified clean hydrogen produced after 2022 at each qualified clean hydrogen production facility during the 10-year period beginning on the date the facility is originally placed in service.



You must attach (a) the required verification documentation, and (b) if you petitioned for a provisional emissions rate (PER), a copy of the PER documentation obtained from the Department of Energy.

There is a statutory prohibition in section 45V that disallows the section 45V credit for any qualified clean

hydrogen produced at a facility that includes carbon capture equipment for which the section 45Q credit is allowed to any taxpayer for the tax year or any prior tax year.

### Who Can Take the Credit

To qualify for the credit, the clean hydrogen must be produced in either the United States (as defined in section 638(1)) or a territory of the United States (as defined in section 638(2)), for its sale or use, in the ordinary course of a trade or business of the taxpayer. Additionally, the production and sale or use of such clean hydrogen must be verified by an unrelated party.

File a separate Form 7210 for each qualified facility for which you claim the section 45V credit. Complete Part I to report facility information and the appropriate lines of Parts II, III, and IV (if applicable) to calculate your clean hydrogen production credit for such facility. If you claimed a credit for a qualified clean hydrogen production facility and also received a Schedule K-1 for a section 45V credit from a partnership or S corporation, you must file a separate Form 7210 to report your distributive share of any credit from these other sources. Enter "Credit from partnerships and S corporations" on the separate Form 7210, Part I, line 2a, and enter the total credit amount on Part IV, line 11.

**Partnerships and S corporations.** You must complete and attach a separate Form 7210 for each facility or property to your return even if (1) you cannot claim the credit, (2) you did not elect to treat the clean hydrogen production credit as a payment under section 6417, or (3) you did not elect to transfer the clean hydrogen production credit (or portion thereof) under section 6418.

Partnerships and S corporations that own and operate a qualified facility must file a separate Form 7210. All others are generally not required to complete or file this form if their only source for this credit is from a partnership or S corporation. Instead, they can report this credit directly on Form 3800, General Business Credit.

### Amount of Credit

The clean hydrogen production credit for any tax year is adjusted annually for inflation. The credit is calculated by multiplying an applicable amount by the kilograms of qualified clean hydrogen produced. The applicable amount ranges from \$0.12 to \$0.60 per kilogram depending on the level of lifecycle greenhouse gas emissions associated with the production of the hydrogen. The credit is multiplied by 5 if the qualified clean hydrogen production facility meets certain prevailing wage and apprenticeship requirements.

For information regarding calculating the lifecycle greenhouse gas emissions rate for purposes of

determining the amount of the section 45V credit, see [Department of Energy/Clean Hydrogen Production Credit](#).

## Applicable Percentage

The credit in any tax year is calculated by multiplying an amount equal to \$0.60 per kilogram (kg) of qualified clean hydrogen produced by an applicable percentage based on the resulting lifecycle greenhouse gas emissions as follows.

## Applicable Amount

Emissions (kg CO <sub>2</sub> e per kg of qualified clean hydrogen)	Applicable Percentage (%)	Applicable Amount (per kg of qualified clean hydrogen)
less than 0.45	100%	\$0.60
0.45 to less than 1.5	33.4%	\$0.20
1.5 to less than 2.5	25%	\$0.15
2.5 to not greater than 4.0	20%	\$0.12

The \$0.60 amount is adjusted by multiplying the amount by the inflation adjustment factor for the calendar year in which the qualified clean hydrogen is produced. If this adjusted amount is not a multiple of 0.1 cent, the amount must be rounded to the nearest multiple of 0.1 cent.

In the case of any hydrogen for which an emissions rate has not been determined, a taxpayer producing such hydrogen may file a petition with the Secretary of the Treasury to determine the emissions rate with respect to such hydrogen.

**Applicable entities.** For tax years beginning after 2022, applicable entities (as defined under section 6417(d)(1)(A)) that generally don't benefit from income tax credits may elect to treat the clean hydrogen production credit for a facility originally placed in service after December 31, 2022, as a payment of income tax. Resulting overpayments may result in refunds.

Applicable entities making the elective payment election for the clean hydrogen production credit must file the following:

- Form 7210 and any applicable attachments,
- Form 3800, General Business Credit, and
- Form 990-T, Exempt Organization Business Income Tax Return, or other applicable income tax return.

For a discussion of what is considered an applicable entity, see *Applicable entity making an elective payment election on IRA 2022 credits* in the Instructions for Form 3800. For more information on elective payment elections under section 6417, see *Elective Payment of Certain Business Credits Under Section 6417 or Section 48D* in the Instructions for Form 3800.

Your election to treat the credit as a payment generally applies to 2023 and any subsequent year during the 10-year period described in section 45(a)(2)(A)(ii) for such facility. You must obtain an IRS-issued registration number for the facility in 2023 and each of the succeeding years.

**Credit transfers.** For tax years beginning after 2022, under section 6418, eligible taxpayers, partnerships, and S corporations can elect to transfer all or part of the credit amount otherwise allowed as a general business credit to

an unrelated third-party buyer in exchange for cash. Eligible taxpayers don't include applicable entities. For more information on credit transfers, see *Transfer of Eligible Credits Under Section 6418* in the Instructions for Form 3800.

**Pre-filing registration requirement for payments or transfers.** Before you file your tax return, if you intend to make an elective payment election or transfer election on Form 3800 for the credit figured in Part II, you must complete a pre-filing registration for each facility. To register, go to [IRS.gov/Credits-Deductions/Register-for-Eligible-Payment-or-Transfer-of-Credits](https://www.irs.gov/Credits-Deductions/Register-for-Eligible-Payment-or-Transfer-of-Credits). See Pub. 5884, Inflation Reduction Act (IRA) and CHIPS Act of 2022 (CHIPS) Pre-filing Registration Tool, for more information. Also see *Registering for and Making Elective Payment and Transfer Elections* in the Instructions for Form 3800.

## Credit Reduced for Tax-Exempt Bonds

The credit rate reduction for grants, subsidized energy financing, and other credits was removed. As a result, the credit is reduced by an amount that is the product of the credit amount otherwise determined for the tax year and the lesser of 15% or a fraction determined for the tax year. The numerator of the fraction is the sum, for the tax year and all prior tax years, of proceeds of an issue of any obligations, the interest on which is exempt from tax under section 103 and which is used to provide financing for the qualified facility. The denominator of the fraction is the aggregate amount of additions to the capital account for the qualified facility for the tax year and all prior tax years as of the close of the tax year.

## Increased Credit Amount for Qualified Clean Hydrogen Production Facilities

In the case of any qualified facility that satisfies one of the following requirements, the amount of the credit described above is multiplied by 5.

- A facility the construction of which begins prior to January 29, 2023, and which satisfies the prevailing wage requirements with respect to any alterations or repairs occurring after January 29, 2023. See [Notice 2022-61](#).
- A facility which satisfies the prevailing wage requirements with respect to any alterations or repairs occurring after January 29, 2023.
- A facility which satisfies the prevailing wage and apprenticeship requirements.

## Prevailing Wage Requirements

To meet the prevailing wage requirements with respect to any qualified facility, a taxpayer must ensure that any laborers and mechanics employed by the taxpayer or any contractor or subcontractor in:

- The construction of such facility, and
- The alteration or repair of such facility (with respect to any tax year, for any portion of such tax year that is within the 10-year period beginning on the date the qualified facility is originally placed in service), are paid wages at rates not less than the prevailing rates for construction, alteration, or repair of a similar character in the locality in which such facility is located, as most recently determined by the Secretary of Labor, in accordance with Subchapter IV of chapter 31 of title 40, United States Code. Correction and penalty mechanisms for a taxpayer's failure to satisfy



the prevailing wage requirements are set forth under section 45(b)(7)(A).

## Apprenticeship Requirements

To meet the apprenticeship requirements, taxpayers must ensure that, with respect to the construction of any qualified clean hydrogen production facility, not less than the applicable percentage of the total labor hours of the construction, alteration, or repair work (including such work performed by any contractor or subcontractor) with respect to such facility is, subject to section 45(b)(8)(B), performed by qualified apprentices (apprenticeship labor hour requirements).

The apprenticeship requirements of IRA 2022 include three components: a labor hours requirement, a ratio requirement, and a participation requirement.

- Under the labor hours requirement, the taxpayer must ensure that, depending on when construction began, 12.5% to 15% of the total labor hours performed in the construction, alteration, or repair of the qualified facility are performed by qualified apprentices from a registered apprenticeship program.
- Under the ratio requirement, the taxpayer must ensure that the applicable ratio of apprentices to journey-workers established by the registered apprenticeship program are met for apprentices working on the qualified facility each day.
- Under the participation requirement, any taxpayer (or contractor or subcontractor) that employs 4 or more laborers or mechanics in the construction, alteration, or repair of the qualified facility must also hire at least one qualified apprentice.

For further information on the prevailing wage and apprenticeship requirements, go to [IRS.gov/Frequently-asked-questions-about-the-prevailing-wage-and-apprenticeship-under-the-Inflation-Reduction-Act](https://www.irs.gov/Frequently-asked-questions-about-the-prevailing-wage-and-apprenticeship-under-the-Inflation-Reduction-Act).

## Definitions

The following definitions apply for qualified clean hydrogen.

**Lifecycle greenhouse gas emissions** has the same meaning given such term under section 211(o)(1)(H) of the Clean Air Act.

**Qualified clean hydrogen** means hydrogen that is produced through a process that results in a lifecycle greenhouse gas emissions rate of not greater than 4 kilograms of CO<sub>2</sub>e per kilogram of hydrogen that is produced (1) in the United States (as defined in section 638(1)) or a territory of the United States (as defined in section 638(2)), (2) in the ordinary course or trade of a business of the taxpayer, and (3) for sale or use and for which production and sale or use of such hydrogen is verified by an unrelated party.

**Qualified clean hydrogen production facility** means a facility owned by the taxpayer, which produces qualified clean hydrogen, and the construction of which begins before 2033.

**Establishing beginning of construction.** A taxpayer may establish that construction of a facility begins:

- By starting physical work of a significant nature (Physical Work Test), or

- By paying or incurring 5% or more of the total cost of the facility (Five Percent Safe Harbor).

See [Notice 2022-61](#) for more information.

**Modification of Existing Facilities.** For purposes of the credit availability period, in the case of any facility that was originally placed in service before 2023, and prior to the modification to produce qualified clean hydrogen did not produce qualified clean hydrogen, and such facility is modified after December 31, 2022, to produce qualified clean hydrogen and the amounts paid or incurred with respect to such modification are properly chargeable to the capital account of the taxpayer, then such facility shall be deemed to have been originally placed in service as of the date that the property required to complete the modification to produce qualified clean hydrogen is placed in service.

**No overlap with section 45Q credits.** No section 45V credit is allowed with respect to any qualified clean hydrogen produced at a facility that includes carbon capture equipment for which a credit is allowed to any taxpayer under section 45Q for the tax year or any prior tax year.

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## Specific Instructions

### Part I—Facility Information

#### Line 1

If you are making an elective payment election or making an election to transfer the clean hydrogen production credit (or a portion thereof), enter your pre-filing registration number that you received from the IRS for the facility. See [IRS.gov/Register for elective payment or transfer of credits](https://www.irs.gov/Register-for-elective-payment-or-transfer-of-credits).

#### Line 2a

Enter the address of the facility or property. Enter the name of the facility or a detailed technical description of the facility or property.

#### Line 2b

If the facility doesn't have an address, enter the coordinates of the facility or property (longitude and latitude) on line 2b. If you entered a registration number on line 1, this information should correspond to the information provided to obtain a registration number for such facility.

#### Line 3

Enter the date construction began. See [Establishing beginning of construction](#), earlier, and [Notice 2022-61](#) for more information. For the modification of an existing facility, enter the date that you began construction to modify and improve the existing facility to produce qualified clean hydrogen.

#### Line 4

Enter the date the qualified clean hydrogen production facility was originally placed in service.



You may only claim the credit after 2022 at a qualified clean hydrogen production facility during the 10-year period beginning on the date the facility or modification of an existing facility is originally placed in service.

## Line 5

Check the box if you are eligible for the increased credit amount for the qualified clean hydrogen production facilities and attach the required information. See [Increased Credit Amount for Qualified Clean Hydrogen Production Facilities](#), earlier.

**Additional information.** If you checked the box on line 5 and entered an increased amount on line 10, you must also attach a statement to Form 7210 that includes the following information to claim the increased credit amount for the qualified facilities. You must attach a separate statement for each qualified facility. The statement must include the following information.

1. Your name and taxpayer identification number, the facility description, and the IRS-issued registration number (if applicable) from Part I.
2. For each qualified facility that began construction before January 29, 2023, a statement that you met the Continuity Requirement under the Physical Work Test or the Five Percent Safe Harbor to establish the beginning of construction (alteration or repair) and satisfied the prevailing wage requirements with respect to an alteration or repair that occurs after January 29, 2023.
3. For each qualified facility or modification to an existing facility (1) that began construction on or after January 29, 2023, or (2) an alteration or repair that occurs at a facility after January 29, 2023, the construction of which began before January 29, 2023, include the following:
  - a. The location and type of the qualified facility.
  - b. The applicable wage determinations for each classification of laborer and mechanic who performed work on the construction, alteration, or repair of the facility.
  - c. The wages paid (including any correction payments (as defined in section 45(b)(7)(B)(i)(I)) and hours worked for each of the laborer or mechanic classifications engaged in the construction, alteration, or repair of the facility.
  - d. The number of laborers and mechanics who received correction payments as the result of any failure to pay the applicable prevailing wage rates.
  - e. The amount of penalty payments owed with respect to any failures to pay the applicable prevailing wage rates.
  - f. The wages paid and hours worked by qualified apprentices for each of the laborer or mechanic classifications engaged in the construction of the facility.
  - g. The total labor hours for the construction of the project by any laborer or mechanic employed by the taxpayer or any contractor or subcontractor.
  - h. The amount of hours for which you claim to have satisfied the apprenticeship requirements under the good faith effort exception.

- i. The amount of penalty payments owed with respect to any failure to meet the labor hours requirement or the participation requirement.

**Applicable wage determinations** means the wage listed for a particular classification of laborer or mechanic on the applicable wage determination for the type of construction and the geographic area, as determined by the Secretary of Labor. See [Notice 2022-61](#) for more information.



You must maintain and preserve sufficient records, including books of account or records for work performed by laborers to construct the facility or property, to establish that you satisfied the prevailing wage and apprenticeship requirements to claim the increased tax benefit.

## Part II—Clean Hydrogen Production

Enter the applicable amount multiplied by the kilograms of qualified clean hydrogen produced based on the lifecycle greenhouse gas emissions rate that results from the production of qualified clean hydrogen. See [Applicable Percentage](#), earlier.

## Part III—Credit Reduced for Tax-Exempt Bonds

### Line 8

Calculate the reduction of credit for tax-exempt bonds with respect to a qualified clean hydrogen production facility. See [Credit Reduced for Tax-Exempt Bonds](#), earlier.

## Part IV—Clean Hydrogen Production Credit

### Line 10

If you checked line 5 in Part I, multiply the amount on Part III, line 9, by 5.0. See the instructions for Part I, line 5, for [Additional information](#), earlier. Otherwise, enter the amount from line 9.

### Line 11

Enter the total clean hydrogen production credits on a separate Form 7210 to report your distributive share from:

- Schedule K-1 (Form 1065), Partner's Share of Income, Deductions, Credits, etc., box 15 (code Y).
- Schedule K-1 (Form 1120-S), Shareholder's Share of Income, Deductions, Credits, etc., box 13 (code Y).

Enter "Credit from partnerships, S corporations, cooperatives, estates or trusts" on Form 7210, Part I, line 2a. All others not using earlier lines to figure a separate credit can report the above credits directly on Form 3800, Part III, line 1g.

### Line 12

If you are a partnership or S corporation and you elect payment for any clean hydrogen production credit under section 6417(c), report the amount with respect to a facility on Form 3800, Part III, line 1g, even if you are not otherwise required to file Form 3800.

If you are an eligible taxpayer, including a partnership or S corporation, and elect to transfer any clean hydrogen production credit (or portion thereof) on Form 7210, line 12, report the entire amount of the clean hydrogen production credit with respect to a qualified facility on Form 3800, Part III, line 1g. You must also attach additional information to Form 3800, Part III, line 1g. See the Instructions for Form 3800.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for individual and business taxpayers filing this form is approved under OMB control numbers 1545-0123 and 1545-0047 and is included in the estimates shown in the instructions for their individual and business income tax return. The estimated burden for all other taxpayers who file this form is shown below.

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You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

Recordkeeping . . . . .	4 hr., 46 min.
Learning about the law or the form . . . . .	18 min.
Preparing and sending the form to the IRS . . . . .	23 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.

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ONLY DRAFT  
January 22, 2024