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This is an early release draft of an IRS tax form, instructions, or publication, which the IRS is providing for your information. **Do not file draft forms.** We incorporate all significant changes to forms posted with this coversheet. However, unexpected issues occasionally arise, or legislation is passed—in this case, we will post a new draft of the form to alert users that changes were made to the previously posted draft. Thus, there are never any changes to the last posted draft of a form and the final revision of the form. Forms and instructions are subject to OMB approval before they can be officially released, so we post drafts of them until they are approved. Drafts of instructions and pubs usually have some additional changes before their final release. Early release drafts are at [IRS.gov/DraftForms](https://www.irs.gov/DraftForms) and remain there after the final release is posted at [IRS.gov/LatestForms](https://www.irs.gov/LatestForms). Also see [IRS.gov/Forms](https://www.irs.gov/Forms).

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# Instructions for Form 7211



(December 2024)

## Clean Electricity Production Credit

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

### Future Developments

For the latest information about developments related to Form 7211 and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form7211](https://www.irs.gov/Form7211).

### What's New

**New Form 7211.** Beginning in 2025, new Form 7211, Clean Electricity Production Credit, will be used to claim the section 45Y clean electricity production credit.

**Tax-exempt and governmental entities.** 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.** 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 process that must be completed prior to electing payment or transfer of the clean electricity production credit. See [Pre-filing registration requirement for payments or transfers](#), later.

## General Instructions

### Purpose of Form

Use Form 7211 to claim the clean electricity production credit that you produced at each qualified facility. Complete [Part I](#) to report the information on the qualified facility. The credit is allowed only for the consumption, sale, or storage of electricity produced in the United States or U.S. territories at a qualified facility. Complete [Part II](#) to calculate the credit.

Taxpayers, applicable entities, partnerships, S corporations, estates, or trusts that own and operate a qualified facility must file a separate Form 7211. All others are generally not required to complete or file this form if their only source for any section 45Y clean electricity production credit is a partnership, S corporation, estate, or trust. Instead, they can report this credit directly on Form 3800, General Business Credit. The following exceptions apply.

- You are an estate or trust and the source of the credit can be allocated to beneficiaries. For more details, see the Instructions for Form 1041, Schedule K-1, box 13, code E.

- You are a cooperative and the source credit can or must be allocated to patrons. For more details, see the Instructions for Form 1120-C, Schedule J, line 5c.



A qualified facility will not include any facility for which a credit determined under section 45, 45J, 45Q, 45U, 48, 48A, or 48E is allowed under section 38 for the tax year or any prior tax year.

### How To Claim the Credit

To qualify for the credit, the electricity must be produced within 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 consumption, sales, or storage during the tax year. Additionally, eligible electricity is electricity that is either: (1) sold by the taxpayer to an unrelated person during the tax year, or (2) in the case of a qualified facility that is equipped with a metering device, owned and operated by an unrelated person.

Generally, the credit for clean electricity produced at a qualified facility during the 10-year period beginning on the date the facility was originally placed in service and sold to you by an unrelated person during the tax year is the applicable amount (base amount or alternative amount) used in calculating the credit.

### Amount of Credit

The clean electricity production credit for any tax year is an amount equal to the product of kilowatt hours (kWh) of eligible electricity produced by the taxpayer at a qualified facility, multiplied by the applicable amount with respect to the qualified facility.

### Applicable Amount

**Base amount.** For any qualified facility that does not satisfy the requirements for the alternative amount, the applicable amount will be 0.3 cents.

**Alternative amount.** The 1.5 cents applies in the case of any facility (1) with a maximum net output of less than 1 megawatt (as measured in alternating current); (2) the construction of which begins prior to August 26, 2024; or (3) that satisfies the wage requirements, and that, with respect to the construction of the facility, satisfies the apprenticeship requirements.

### Definitions

**CO<sub>2</sub>e per kWh.** The term "CO<sub>2</sub>e per kWh" means, with respect to any greenhouse gas, the equivalent carbon dioxide (as determined based on global warming potential) per kilowatt hour of electricity produced.

**Greenhouse gas.** The term "greenhouse gas" has the same meaning given to the term under section 211(o)(1)(G) of the Clean Air Act (42 U.S.C. 7545(o)(1)(G)).

**Greenhouse gas emissions rate.** Generally, the amount of greenhouse gases emitted into the atmosphere by a facility in the production of electricity, expressed as grams of CO<sub>2</sub>e per kWh.

**Qualified facility.** A facility owned by the taxpayer that is used for the generation of electricity, that is placed in service after 2024, and for which the greenhouse gas emissions rate (as determined under section 45Y(b)(1)(A)) is not greater than zero. The facility will be treated as a qualified facility during the 10-year period beginning on the date the facility was originally placed in service.

**Qualified carbon dioxide.** Means carbon dioxide captured from an industrial source which:

- Would otherwise be released into the atmosphere as industrial emission of greenhouse gas,
- Is measured at the source of capture and verified at the point of disposal or utilization, and
- Is captured and disposed or utilized within the United States or a territory.

**Applicable entities.** Applicable entities (as defined under section 6417(d)(1)(A)) that generally don't benefit from income tax credits can elect to treat the clean electricity 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 electricity production credit must file the following.

- Form 7211 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 an applicable entity, see *Applicable entity making an EPE 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 2025 and any subsequent year during the 10-year period described in section 45Y(b)(1)(B) for such facility. You must obtain an IRS-issued registration number for the facility in 2025 and each of the succeeding years.

**Credit transfers.** Under section 6418, eligible taxpayers, partnerships, and S corporations can elect to transfer all or part of the credit figured in Part II to an unrelated third-party buyer in exchange for cash. 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-Selective-Payment-or-Transfer-of-Credits](https://www.irs.gov/Credits-Deductions/Register-for-Selective-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 EPEs 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 modified. As a result, the credit is reduced by an amount which is the product of the credit amount otherwise determined for the tax year and the lesser of 15% or a fraction. 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 that is used to provide financing for the qualified facility, as of the close of the tax year. 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 in Energy Communities

In the case of any qualified facility which is located in an energy community, the amount of credit with respect to any electricity produced by the taxpayer at such facility is increased by 10%. Energy community means (a) a brownfield site; (b) a metropolitan or non-metropolitan statistical area that has or had at any time during the period beginning in 2010, 0.17% or more direct employment or 25% or greater local tax revenues related to the extraction, processing, transport, or storage of coal, oil, or natural gas, and has an unemployment rate at or above the national average unemployment rate for the previous year; or (c) a census tract in which after December 31, 1999, a coal mine has closed, or after December 31, 2009, a coal-fired electric generating unit has been retired, or a census tract directly adjoining to any such census tract.

See Notice 2023-29, available at [IRS.gov/irb/2023-29\\_IRB#NOT-2023-29](https://www.irs.gov/irb/2023-29_IRB#NOT-2023-29); Notice 2023-45, available at [IRS.gov/irb/2023-45\\_IRB#NOT-2023-45](https://www.irs.gov/irb/2023-45_IRB#NOT-2023-45); and Notice 2023-47, available at [IRS.gov/irb/2023-47\\_IRB#NOT-2023-47](https://www.irs.gov/irb/2023-47_IRB#NOT-2023-47), for more information about the energy community bonus credit guidance under section 45.

## Domestic Content Bonus Credit Amount

An additional bonus credit equal to 10% of the amount is provided for projects that meet a domestic content requirement. The domestic content bonus requires that certain steel, iron, and manufactured products used in the facility be domestically produced. The taxpayer needs to certify that any steel, iron, or manufactured product that is a component of the qualified facility (upon completion of construction) was produced in the United States (as determined under section 661 of Title 49, CFR).

# 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. Special correction and penalty mechanisms apply for a taxpayer's failure to satisfy the prevailing wage requirements.

## Apprenticeship Requirements

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

- The taxpayer must ensure that, depending on when construction began, 10% to 15% of the total labor hours performed in the construction, alteration, or repair of the facility are performed by qualified apprentices from a registered apprenticeship program.
- The taxpayer must ensure that the applicable ratio of apprentices to journeyworkers established by the registered apprenticeship program are met for apprentices working on the facility each day.
- Any taxpayer (or contractor or subcontractor) that employs 4 or more individuals in the construction, alteration, or repair of the facility must also hire at least one qualified apprentice.

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## Specific Instructions

### Part I—Information on Qualified Facility

If you are claiming the clean electricity production credit for a qualified facility, you must complete Part I, Information on Qualified Facility. Use lines 1 through 9 to provide information for each facility.

#### Line 1

Enter your pre-filing registration number of the facility that you received from the IRS. See [Pre-filing registration requirement for payments or transfers](#), earlier.

#### Line 2a

If the owner of the facility is different from the filer, include the owner's name and taxpayer identification number.

#### Lines 2b and 2c

Enter the address and the technical description of the facility that is an integral part of the facility to produce clean electricity. If the facility does not have an address, enter the coordinates of the facility (longitude and latitude) on line 2c.

#### Line 3

Enter the date construction began.

#### Line 7

Check the appropriate box on line 7 and attach the required information to your return to claim the credit at the alternative amount. You must attach a separate statement for each qualified facility. See [TD9998](#) for additional guidance.

#### Additional information to claim the alternative amount.

If you checked the "Yes" box in Part I, question 7a, 7b, or 7c, and entered an alternative amount on Part II, line 2, you must also attach a statement to Form 7211 that includes the following information.

1. Your name and taxpayer identification number and the facility description (including owner information, if different from filer) and the IRS-issued registration number (if applicable) from Part I.

2. If you checked box 7a, a statement that the facility or property has a maximum net output of less than 1 megawatt (as measured in alternating current).

3. If you checked box 7b, a statement that you establish the beginning of construction (alteration or repairs) before January 29, 2023.

4. If you checked box 7c, include the following.

a. The location and type of the qualified facility.

b. The applicable wage determinations (as defined below) 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.** Applicable wage determinations are the wages listed for a particular classification of laborer or mechanic for the type of construction and the geographic area, or other applicable wage as determined by the Secretary of Labor. See

## Line 8

Section 45Y(g)(7) provides an energy community bonus credit amount for a qualified facility by increasing the amount by 10% if the qualified facility is located in an energy community. Check “Yes” if you satisfy the section 45Y(g)(7) requirements. See [Increased Credit in Energy Communities](#), earlier.

**Additional information for increased credit amount.** If you checked the “Yes” box in Part I, question 8, and entered an increased credit amount on Part II, line 5a, you must also attach a statement to Form 7211 that includes the following information.

1. Your name and taxpayer identification number and the facility description (including owner information, if different from filer) and the IRS-issued registration number (if applicable) from Part I.
2. If you checked box 8, include the following.
  - a. The location and type of the qualified facility.
  - b. The applicable wage determinations (as defined below) 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.

## Line 9

Check the appropriate box on line 9.

### Domestic Content Certification Statement

If you checked line 9 to claim the domestic content bonus credit amount in Part I, you must also attach a domestic content certification statement to Form 7211 at the time of filing your return for each applicable project. The domestic content certification statement should include the following.

1. Your name and taxpayer identification number shown on the return.
2. The facility description (including owner information, if different from filer) and the IRS-issued registration number (if applicable) of the applicable project from Part I.
3. A statement that any steel, iron, or manufactured product that is a component of the facility (upon completion of construction) was produced in the United States (as determined under section 661 of Title 49, Code of Federal Regulations).
4. A declaration, applicable to the statement and any accompanying documents, signed by you, or signed by a person currently authorized to bind you in such matters, in the following form: “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.”

See [Domestic Content Bonus Credit Amount](#) and Notice 2023-38, available at [IRS.gov/irb/2023-22\\_IRB#NOT-2023-38](https://www.irs.gov/irb/2023-22_IRB#NOT-2023-38), for guidance with respect to the domestic content requirement.

## Part II—Clean Electricity Production

### Line 1 or Line 2

Enter the kilowatt hours of qualified clean electricity produced at the applicable qualified facilities and multiply by the applicable rate. Enter the calendar year related to the kWh on line 1 or line 2.

In column (b), enter the base or alternative amount multiplied by the applicable amount and rounded for the calendar year entered on line 1 or line 2. Multiply column (a) by column (b). Enter the result in column (c).

Skip lines 1 through 9 if you are only claiming a credit that was allocated to you from an S corporation, partnership, cooperative, estate, or trust.

### Line 3

Enter the total amount of lines 1(c) and 2(c). A qualified facility can use the “base amount” or “alternative amount,” not both.

### Line 5a

Energy community bonus. If you checked line 8 in Part I, multiply the amount on Part II, line 5a, by 10% (0.10). See [Increased Credit in Energy Communities](#), earlier.

### Line 9

**Elective payment phaseout for applicable entities.** If you are making an elective payment election for a facility whose construction began in calendar year 2024, and the facility does not satisfy the rules of section 45Y(g)(12)(B) (i) or does not have a maximum net output of less than 1 megawatt (as measured in alternating current), multiply line 9 by 90% (0.90).

**Exception to elective payment phaseout.** For facilities whose construction begins before the later of calendar year 2024 or further guidance, Notice 2024-XX provides transitional procedures to claim the statutory

exceptions to the elective payment phaseout related to the domestic content requirement.

To substantiate your claim of exception to the elective payment phaseout, you must complete and attach a statement to Form 7211. The statement must say, under penalties of perjury, that you have reviewed the requirements for the increased cost exception and the non-availability exception under section 45Y(g)(12)(D), and have made a good-faith determination that the qualified facility meets the requirements for the increased cost exception and/or the non-availability exception, as applicable. The statement must be signed by a person with the legal authority to bind the applicable entity in federal tax matters. For more information, see [Notice 2024-09, 2024-02 I.R.B. 358](#).

### Line 10

On a separate Form 7211, enter "Credits from Pass-Through Entities" on line 2b of Part I and report your total distributive share from:

- Schedule K-1 (Form 1065), Partner's Share of Income, Deductions, Credits, etc., box 15 (code W);
- Schedule K-1 (Form 1120-S), Shareholder's Share of Income, Deductions, Credits, etc., box 13 (code W);
- Schedule K-1 (Form 1041), Beneficiary's Share of Income, Deductions, Credits, etc., box 13 (code E); and
- Form 1099-PATR, Taxable Distributions Received From Cooperatives, box 12.

Partnerships and S corporations must enter the passed-through credits on line 10. Also, estates and trusts that can allocate the source credit to beneficiaries, and cooperatives that can allocate the credit to patrons, must enter the passed-through credits on line 10. Filers figuring credits on earlier lines of Form 7211 must enter the passed-through credits on line 10.

If you are not a filer described above, and your only clean electricity production credit are credits passed through to you, you can report the credits directly on Form 3800, Part III, line gg, as applicable.

Partnerships and S corporations must always report on line 10 the above credits related to clean electricity production. Also, estates and trusts that can allocate the

source credit to beneficiaries and cooperatives that can allocate the credit to patrons must always report on line 10 the above credits related to clean electricity production. All other filers figuring a separate credit on earlier lines must also report the above credits on line 10. All others not using earlier lines to figure a separate credit can report the above credits directly on Form 3800, Part III, line gg.

### Line 11

**Partnerships and S corporations.** If you are a partnership or S corporation electing to transfer the energy credit with respect to a facility or property (or portion thereof) under section 6418(c), you must report the total credit amount with respect to your facility on Form 3800, Part III, line gg, and not on Schedule K.

### Line 12

**Cooperative election to allocate credit to patrons.** A cooperative described in section 1381(a) that is more than 50% owned by agricultural producers or by entities owned by agricultural producers can elect to allocate any part of the credit among the patrons of the cooperative. The credit is allocated among the patrons eligible to share in patronage dividends on the basis of the quantity or value of business done with or for such patrons for the tax year.

The cooperative is deemed to have made the election by completing line 12, as applicable. However, the election isn't effective unless (a) made on a timely filed return (including extensions), and (b) the organization designates the apportionment in a written notice mailed to its patrons during the payment period described in section 1382(d) or on Form 1099-PATR.

If you timely file your return without making an election, you can still make the election by filing an amended return within 6 months of the due date of the return (excluding extensions). Enter "Filed pursuant to section 301.9100-2" on the amended return.

Once made, the election can't be revoked.

**Estates and trusts.** Allocate the credit on line 11 between the estate or trust and the beneficiaries in the same proportion as income was allocated and enter the beneficiaries' share on line 12.

**Paperwork Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

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.

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 number 1545-0123 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.

<b>Recordkeeping</b> .....	X hr., X min.
<b>Learning about the law or the form</b> .....	XX min.
<b>Preparing and sending the form to the IRS</b> .....	XX 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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November 18, 2024