

Environment Committee Meeting IRA Direct Pay, Rebates, and Tax Incentives

The Inflation Reduction Act (IRA) of 2022 is providing historic investments in clean energy and sustainability projects. The legislation puts the U.S. on a path toward achieving its Paris Agreement goals by enabling emissions reductions of 31-44% below 2005 levels, while also funneling billions to climate resilience needs.

For the first time, tax-exempt entities like local governments have the opportunity to receive the monetary benefit of tax credits directly from the federal government. These tax credits for local governments are commonly known as “[direct pay](#)” or “[elective pay](#).” **“The ability to directly take advantage of tax credits changes the way that cities can approach climate change mitigation and resilience projects** and will make more carbon reduction and resilience strategies cost-effective,” according to “[Cities Advancing Climate Action: Unlocking the Potential of the Inflation Reduction Act](#),” a report written by the U.S. Conference of Mayors, the Center for Climate and Energy Solutions (C2ES), and AECOM.

However, receiving elective pay tax credits does require municipal finance and legal capacity, which speakers will address during this Environment Committee meeting.

Join experts from the National League of Cities, the U.S. Conference of Mayors and AECOM, who are creating pathways for local governments to access these resources. Local government projects that could benefit from direct pay will be shared, including an example of what the City of Chicago is doing.

The IRA also contains abundant tax credits and rebates for individuals and businesses. A speaker from the Citizens Utility Board (CUB) will explain what [IRA resources](#) are currently available and what to watch for in the near future.

Meeting Details

Topic: IRA direct pay, rebates, and tax incentives

Date: Tuesday, Feb. 20th

Time: 10-11:30 a.m.

Register: Please register in advance for the Zoom meeting with the link that was sent to Committee members.