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Extensions for Renewable Energy Projects

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In Notice 2020-41, issued May 27, 2020, the IRS extended the deadline for certain time-sensitive actions with respect to qualifying renewable energy projects for production tax credits (PTCs) and investment tax credits (ITCs).

For projects that began construction in 2016 and 2017, the guidance adds an additional year to the four-year continuity safe harbor, giving these projects five years to be placed in service. In other words, for a project that began construction in 2016, the project must be placed in service by December 31, 2021 to be deemed to have met the continuity requirements of past notices. Additionally, the guidance provides that taxpayers who began construction on a project after September 16, 2019 by paying for services or property equal to at least 5 percent of the total project costs, and reasonably expected to receive such services or property within 3.5 months of payment and that have adopted the 3.5-month accounting method, have until October 15, 2020 to receive the property or services.

There are no filing or other special requirements to take advantage of these extensions.