

Instructions for Form 8835

Renewable 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 8835 and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form8835](https://www.irs.gov/Form8835).

What's New

Energy communities. P.L. 119-21, commonly known as the One Big Beautiful Bill Act, modified section 45 to expand the definition of “energy community” for purposes of a qualified facility that is an advanced nuclear facility. This only applies for tax years beginning after July 4, 2025. See section 45(b)(11)(iv) and (C), and [Increased Credit in Energy Communities](#), later.

Form 7220. If you are claiming a credit on Part II, line 9, and the facility meets the prevailing wage requirements of section 45(b)(7) and the apprenticeship requirements of section 45(b)(8), you must complete and attach to your tax return new Form 7220, Prevailing Wage and Apprenticeship (PWA) Verification and Corrections, to provide the required information when claiming the increased amount on this line.

Reminders

Credit amounts. The Inflation Reduction Act of 2022 (IRA 2022) changed the manner in which section 45 credit amounts are calculated on the sale of electricity produced in any qualified facility placed in service after December 31, 2021. For more information, see Notice 2023-51, available at [IRS.gov/irb/2023-30_IRB#NOT-2023-51](https://www.irs.gov/irb/2023-30_IRB#NOT-2023-51).

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

General Instructions

Purpose of Form

Use a separate Form 8835 to claim the credit for electricity that you produced from certain renewable resources at each qualified facility. Complete [Part I](#) to report information on qualified property or a qualified facility. Complete [Part II](#) to calculate the credit. The credit is allowed only for the sale of electricity produced in the United States or U.S. territories from qualified energy resources at a qualified facility.

Taxpayers, applicable entities, partnerships, and S corporations must file a separate form for each qualified

facility that is used in your trade or business to claim the credit. All others are generally not required to complete or file this form if their only source for this credit is from a partnership, S corporation, estate, trust, or cooperative. Instead, they can report their share of the credit directly on Form 3800, General Business Credit. The following exceptions apply.

- You are a(n) estate or trust and the source credit can be allocated to beneficiaries. For more details, see the instructions for Form 1041, Schedule K-1, box 13, code J.
- 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.

Election To Treat a Qualified Facility as Energy Property

Section 48(a)(5) provides an irrevocable election to treat qualified property (described in section 48(a)(5)(D)) that is part of a qualified investment credit facility (described in section 48(a)(5)(C)) as energy property eligible for the investment credit (reported on Form 3468, Investment Credit, Part VI) instead of a production credit reportable on this form. This election applies to a facility:

- That is a qualified facility under section 45(d)(1), (2), (3), (4), (6), (7), (9), or (11) that is placed in service after 2008 and the construction of which began before 2025. See [Construction of a Qualified Facility](#), later;
- For which no credit has been allowed under section 45; and
- For which a taxpayer has made an irrevocable election to treat the facility as energy property.

See the Instructions for Form 3468 for information on making the election.

Coordination With Department of Treasury Grants

If a grant is paid under the American Recovery and Reinvestment Act of 2009, section 1603 grant, for placing into service specified energy property (described in section 1603(d)), no production credit under section 45, or investment credit under section 48, is allowed for the property for the tax year in which the grant is made or any subsequent tax year. See section 48(d) for more information.

You may not partition the basis of property for which a section 1603 grant was received and claim a production credit under section 45 or investment credit under section 48 for any part of the basis of that property. However, you must reduce the basis of the specified energy property by 50% of the amount of the actual section 1603 grant.

You may have to refigure the investment credit and recapture all or a portion of it if a section 1603 grant was made for section 48 property for which a credit was

allowed for progress expenditures before the grant was made. Recapture is applicable to those amounts previously included in the qualified basis for an energy credit, including progress expenditures, that are also the basis for the section 1603 grant.

How To Figure the Credit

Generally, the credit for electricity produced from qualified energy resources at a qualified facility during the 10-year period beginning on the date the facility was originally placed in service, and sold by you to an unrelated person during the tax year (see [Definitions](#), later), is:

- 0.3 cents per kilowatt-hour (kWh) for a qualified facility placed in service after 2021, or
- 1.5 cents per kWh for a qualified facility placed in service before 2022.

The credit for electricity produced is proportionately phased out over a 3-cent range when the reference price exceeds the 8-cent threshold price. The 0.3 or 1.5 cent credit rate and the 8-cent threshold price are adjusted for inflation. The reference price and the inflation adjustment factor (IAF) for each calendar year are published during the year in the Federal Register. If the reference price is equal to or less than the threshold price (adjusted by the IAF), there is no reduction. For electricity produced, if the reference price is 3 cents or more over the adjusted threshold price, there is no credit; if the reference price is more than the threshold price, but less than 3 cents over the adjusted threshold price, there is a phaseout adjustment on line 3 (Part II). For more information, see Federal Register 2025-09366.

Credit rates. For calendar year 2025, the effective credit rate for electricity produced and sold is as follows:

- **Qualified facilities placed in service before 2022.** From qualified energy resources of wind, closed-loop biomass, and geothermal energy, 3.0 cents per kWh; and 1.5 cents per kWh on the sale of electricity produced from the qualified energy resources of open-loop biomass, landfill gas, trash, qualified hydropower, and marine and hydrokinetic energy.
- **Qualified facilities placed in service after 2021.** From qualified energy resources of wind, closed-loop biomass, geothermal energy, and solar energy, 0.6 cents per kWh; and 0.3 cents per kWh on the sale of electricity produced from the qualified energy resources of open-loop biomass, landfill gas, trash, qualified hydropower, and marine and hydrokinetic renewable energy.
- **Qualified facilities placed in service after 2022.** From qualified energy resources of qualified hydropower and marine and hydrokinetic renewable energy, 0.6 cents per kWh.

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 renewable electricity production credit for a facility originally placed in service after 2022, as a payment of income tax. Resulting overpayments may result in refunds.

Applicable entities making the elective payment election for the renewable electricity production credit must file:

- Form 8835 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 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 the tax year in which the qualified facility is originally placed in service and any subsequent year during the 10-year period described in section 45(a)(2)(A)(ii) for this facility. You must obtain an IRS-issued registration number for the facility for such tax year and renew the registration for each succeeding year.

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 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.

Definitions

Construction of a Qualified Facility

Two methods can be used to establish that construction of a qualified facility has begun.

1. **Physical Work Test** is satisfied when physical work of a significant nature begins and other requirements are met.
2. **Five Percent Safe Harbor** is satisfied when a taxpayer pays or incurs (within the meaning of Regulations sections 1.461-1(a)(1) and (2)) 5% or more of the total cost of the facility and meets certain other requirements.

In establishing the beginning of construction under either method, taxpayers must demonstrate either continuous construction or continuous efforts toward placing the facility in service. A taxpayer that places a qualified facility in service no more than 4 calendar years after the calendar year during which construction of the qualified facility began will be deemed to have satisfied this requirement. See [Notice 2016-31](#) for more details.

Certain facilities may qualify for a longer period in which they must be placed in service due to significant national security concerns, developmental delays caused by the COVID-19 pandemic, or Offshore and Federal Land

Projects. See [Notice 2019-43](#), [Notice 2020-41](#), [Notice 2021-05](#), and [Notice 2021-41](#) for more details.

Resources means wind, closed-loop biomass, open-loop biomass, geothermal energy, solar energy, municipal solid waste, qualified hydropower production, and marine and hydrokinetic renewables.

Closed-loop biomass is any organic material from a plant that is planted exclusively for use at a qualified facility to produce electricity.

Open-loop biomass is solid, nonhazardous, cellulosic waste material; lignin material; or agricultural livestock waste nutrients, as defined in section 45(c)(3). See Notice 2008-60, 2008-30 I.R.B. 178, for rules related to open-loop biomass, including an expanded definition of a qualified facility and rules related to sales.

Geothermal energy is energy derived from a geothermal deposit, as defined by section 613(e)(2).

Municipal solid waste is solid waste, as defined under paragraph 27 of 42 U.S.C. 6903. Municipal solid waste doesn't include paper that is commonly recycled and that has been segregated from other solid waste (as so defined).

Hydropower production means the incremental hydropower production for the tax year from any hydroelectric dam placed in service on or before August 8, 2005, and the hydropower production from any nonhydroelectric dam described in section 45(c)(8)(C).

Marine and hydrokinetic renewable energy means energy derived from waves, tides, and currents in oceans, estuaries, and tidal areas; free-flowing water in rivers, lakes, and streams; free-flowing water in an irrigation system, canal, or other man-made channel, including projects that utilize nonmechanical structures to accelerate the flow of water for electric power production purposes; or differentials in ocean temperature (ocean thermal energy conversion). See section 45(c)(10)(B) for exceptions.

Qualified Facilities

Note: IRA 2022 generally provides that the amendments to section 45 apply to facilities placed in service after 2021. See section 13101(k) of P.L. 117-169.

A qualified facility is any of the following facilities owned by you and used to produce electricity.

- Wind facility originally placed in service after 1993, the construction of which begins before 2025. This doesn't include any facility for which any qualified small wind energy property expenditure (as defined in section 25D(d)(4)) is used in determining the residential clean energy credit.
- Closed-loop biomass facility originally placed in service after 1992, the construction of which begins before 2025.
- Closed-loop biomass facility modified to co-fire with coal or other biomass (or both), owned by the taxpayer and originally placed in service before 2025. The modification must be approved under the Biomass Power for Rural Development Programs or be part of a pilot project of the Commodity Credit Corporation as described in 65 Fed. Reg. 63052. The facility will be treated as modified before 2025 if the construction of the modification begins before 2025.

- Closed-loop biomass facility that is a new unit placed in service after October 3, 2008, in connection with a facility described in section 45(d)(2)(A)(i), but only to the extent of the increased amount of electricity produced at the facility by reason of the new unit.

- Open-loop biomass facility using cellulosic waste, the construction of which begins before 2025.

- Open-loop biomass facility using agricultural livestock waste nutrients originally placed in service after October 22, 2004, the construction of which begins before 2025, and the nameplate capacity rating isn't less than 150 kilowatts.

- Open-loop biomass facility that is a new unit placed in service after October 3, 2008, in connection with a facility described in section 45(d)(3)(A), but only to the extent of the increased amount of electricity produced at the facility by reason of the new unit.

- Geothermal facility originally placed in service after October 22, 2004, the construction of which begins before 2025. The facility doesn't include any property described in section 48(a)(3), the basis of which is taken into account by you for purposes of determining the energy credit under section 48.

- Effective for solar energy facilities placed in service after 2021 for a facility using solar energy to produce electricity originally placed in service after October 22, 2004, the construction of which begins before 2025. The facility doesn't include any property described in section 48(a)(3), the basis of which is taken into account by you for purposes of determining the energy credit under section 48.

- Landfill gas or trash facility using municipal solid waste originally placed in service after October 22, 2004, the construction of which begins before 2025.

- Hydropower facility producing incremental hydroelectric production attributable to efficiency improvements or additions to capacity described in section 45(c)(8)(B) placed in service after August 8, 2005, that will be treated as placed in service before 2025, if the construction of the improvement or addition begins before 2025, and any other facility producing qualified hydroelectric production described in section 45(c)(8) placed in service after August 8, 2005, the construction of which begins before 2025.

- Marine and hydrokinetic renewable energy facility originally placed in service on or after October 3, 2008, the construction of which begins before 2025.

A qualified facility doesn't include the following:

1. A landfill gas facility using municipal solid waste to produce electricity if the production from that facility is allowed as a credit under section 45K.

2. A facility that produces electricity from gas produced by qualified biogas property (as defined in section 48(c)(7)) if a credit is allowed under section 48 with respect to this property for the tax year or any prior tax year.

Credit Period

Eligible electricity production activity:	Credit period for facilities placed in service after August 8, 2005 (years from placed-in-service date):
Wind	10
Closed-loop biomass	10
Open-loop biomass (including agricultural livestock waste nutrient facilities)	10
Geothermal	10
Solar	10
Municipal solid waste (including landfill gas facilities and trash combustion facilities)	10
Qualified hydropower	10
Marine and hydrokinetic	10

United States and U.S. territories include the seabed and subsoil of those submarine areas that are adjacent to the territorial waters over which the United States has exclusive rights according to international law.

Credit Reduced for Tax-Exempt Bonds

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 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.

Who Can Take the Credit

Generally, the owner of the facility is allowed the credit. In the case of closed-loop biomass facilities modified to co-fire with coal, other biomass, or both, and open-loop biomass facilities, if the owner isn't the producer of the electricity, the lessee or the operator of the facility is eligible for the credit.

Increased Credit Amount for Qualified Facilities

In the case of any qualified facility that satisfies one of the requirements below, the amount of the credit determined will be equal to such amount multiplied by 5.

- A facility with a maximum net output of less than 1 megawatt (as measured in alternating current).
- A facility the construction of which began prior to January 29, 2023.
- A facility that satisfies the prevailing wage and apprenticeship requirements.

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.

For information on how to correct a failure to satisfy the prevailing wage requirements, and the penalty related to the failure, see section 45(b)(7)(B); [Notice 2022-61](#); T.D. 9998, available at [IRS.gov/irb/2024-34_IRB#TD-9998](#), and the Instructions for Form 4255, Certain Credit Recapture, Excessive Payments, and Penalties.

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 four or more individuals in the construction, alteration, or repair of the facility must also hire at least one qualified apprentice.

For more information on the prevailing wage and apprenticeship requirements, including applicable exceptions, see [IRS.gov/PWFAQ](#).

Domestic Content

For qualified facilities placed in service after 2022, 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). See Notice 2023-38, available at [IRS.gov/irb/2023-22_IRB#NOT-2023-38](#) for more information about the domestic bonus credit guidance, including the Domestic Content Certification Statement.

Increased Credit in Energy Communities

Energy community. In the case of any qualified facility that is located in an energy community, the amount of the credit with respect to any electricity produced by the taxpayer at such facility is increased by 10%. Energy community means:

1. A brownfield site as defined in subparagraphs (A), (B), and (D)(ii)(III) of section 101(39) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601(39));
2. A metropolitan statistical or non-metropolitan statistical area that:
 - a. Has (or, at any time during the period beginning after 2009, had) 0.17% or greater direct employment or 25% or greater local tax revenues related to the extraction, processing, transport, or storage of coal, oil, or natural gas (as determined by the Secretary); and
 - b. Has an unemployment rate at or above the national average unemployment rate for the previous year (as determined by the Secretary);
3. A census tract, or a census tract directly adjoining to such census tract in which:
 - a. After 1999, a coal mine has closed; or
 - b. After 2009, a coal-fired electric generating unit has been retired; or
4. For tax years beginning after July 4, 2025, for purposes of any qualified facility that is an advanced nuclear facility, a metropolitan statistical area that has (or at any time after 2009, had) 0.17% or greater direct employment related to the advancement of nuclear power, including:
 - a. An advanced nuclear facility;
 - b. Advanced nuclear power research and development;
 - c. Nuclear fuel cycle research, development, or production (including mining enrichment, manufacture, storage, disposal, or recycling of nuclear fuel); and
 - d. The manufacturing or assembly of components used in an advanced nuclear facility.

See section 45(b)(11)(C) for the definition of advanced nuclear facilities.

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. In addition, see Notice 2024-30, available at [IRS.gov/irb/2024-16_IRB#NOT-2024-30](https://www.irs.gov/irb/2024-16_IRB#NOT-2024-30); and Notice 2024-48, available at [IRS.gov/irb/2024-26_IRB#NOT-2024-48](https://www.irs.gov/irb/2024-26_IRB#NOT-2024-48), for more information.

Specific Instructions

Part I—Information on Qualified Property or Qualified Facility

If you are claiming a production credit for a qualified facility that uses qualified resources to produce electricity on Part

II, lines 1a–1j, you must complete Part I, *Information on Qualified Property or Qualified Facility*.

Line 1

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

Lines 2a and 2b

Enter a technical description of the facility or property that is an integral part of such facility that uses qualified resources to produce electricity. If the owner of the facility is different from the filer, also include the owner's name and taxpayer identification number.

Lines 3a and 3b

Enter the address of the facility on line 3a. Enter the coordinates of the facility or property (longitude and latitude) on line 3b.

Line 4

Enter the date construction began.

Line 8

Applies to facilities placed in service after December 31, 2021.

Check the appropriate box on line 8 and attach the required information to your timely filed return (including extensions) to claim the increased credit amount for the qualified facilities. You must attach a separate statement for each qualified facility.

Additional information for claiming the increased credit amount. If you checked the "Yes" box in Part I, question 8a, 8b, or 8c, and entered an increased credit amount on Part II, line 9, you must also attach a statement to Form 8835 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 8a, 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 8b, 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 repairs) before January 29, 2023.
4. If you checked box 8c, include the following.
 - a. Form 7220, Prevailing Wage and Apprenticeship (PWA) Verification and Corrections. File a separate Form 7220 for each facility you are claiming an increased amount of credit. For example, if you filed three Forms 8835 with increased credit amounts for satisfying certain PWA requirements, you must submit three Forms 7220. For more information, see the Instructions for Form 7220.
 - b. If you're claiming the increased credit amount and checked the "Yes" box in Part I, question 8a or 8b, you're not required to file Form 7220. For more information, see T.D. 9998, available at [IRS.gov/irb/2024-34_IRB#TD-9998](https://www.irs.gov/irb/2024-34_IRB#TD-9998).

5. 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 this statement, including accompanying documents, and to the best of my knowledge and belief, the facts presented in support of this statement are true, correct, and complete.”

Line 9

If you checked line 9a to claim the domestic content bonus credit amount on Part II, line 10, you must also attach the domestic content certification statement below to Form 8835 with your return.

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

Domestic Content Certification Statement

You must attach a statement to Form 8835 for each Applicable Project in the year placed in service and a copy of the certification statement in each of the succeeding tax years. The certification statement must include the following information for the Applicable Project.

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, CFR).
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.”

Line 10

Section 45(b)(11) provides an energy community bonus credit amount for a qualified facility by increasing the credit amount by 10% if the qualified facility is located in an energy community.

See [Increased Credit in Energy Communities](#), earlier, and Notice 2023-29, available at [IRS.gov/irb/2023-29_IRB#NOT-2023-29](#); Notice 2023-45; and Notice 2023-47 for details and more information.

Part II—Renewable Electricity Production

Figure any renewable electricity credit from your trade or business on Part II, lines 1–13. Skip lines 1–13 if you are only claiming a credit that was allocated to you from an S corporation, partnership, cooperative, estate, or trust.

Fiscal year taxpayers. If you have sales in 2025 and 2026 and the credit rate on line 1 (or the phaseout

adjustment on line 3) is different for 2026, make separate calculations for each line. Use the respective sales, credit rate, and phaseout adjustment for each calendar year. Enter the total of the calculation on the credit rate line (line 1) or the phaseout adjustment line (line 3). Attach the calculations to Form 8835 and write “FY” in the margin.

Line 1

Enter the kilowatt-hours of electricity produced at the applicable qualified facilities and multiply by the applicable rate. See [Credit rates](#), earlier. Fiscal year filers with 2026 sales may have to refigure line 1, as explained under [Fiscal year taxpayers](#) above.

Line 3

Calendar year filers enter -0- on line 3. Fiscal year filers with sales in 2026 also enter -0- if the published 2026 reference price is equal to or less than the 2026 adjusted threshold price. See [How To Figure the Credit](#), earlier, to figure the adjustment.

Lines 5a–5d

The amounts for any tax year will be determined as of the close of the tax year. The credit reduced for tax-exempt bonds, as described earlier, reflects IRA 2022 amendments applicable to facilities, whose construction began after August 16, 2022.

Line 9

If you checked the line 8a, 8b, or 8c box in Part I, multiply the amount on Part II, line 8, by 5.0. See [Additional information for claiming the increased credit amount](#), earlier.

Line 10

If you checked the line 9a box in Part I, multiply the amount on Part II, line 9, by 10%. See [Domestic Content Certification Statement](#), earlier.

Line 11

If you checked the line 10a box in Part I, multiply the amount on Part II, line 9, by 10%. See [Increased Credit in Energy Communities](#), earlier.

Line 13

Elective payment phaseout for applicable entities. If you are making an elective payment election under section 6417 for a facility whose construction began in calendar year 2024, and the facility does not conform to section 45(b)(10)(B) (that is, it doesn't satisfy the rules of section 45(b)(9)(B) and doesn't have a maximum net output of less than 1 megawatt (as measured in alternating current)), or if the facility does not meet an exception under section 45(b)(10)(D), multiply line 12 by 90% (0.90).

Exception to elective payment phaseout. For facilities whose construction began during calendar year 2024, Notice 2024-09 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 8835. 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 45(b)(10)(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](#).

Line 14

On a separate Form 8835, enter “Credits From Pass-Through Entities” on line 2a of Part I and report your total distributive share of the renewable electricity production credit from partnerships, S corporations, estates, and trusts from:

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

Enter this amount on line 14.

If the only credit allocated to you is the renewable electricity production credit, don’t report the credit on Form 8835. Instead, report the credit directly on Form 3800, Part III, line 1f or 4e, as applicable. But see the *Caution* next.

Caution: If you receive a Schedule K-1 (Form 1065), box 15, code BC; or a Schedule K-1 (Form 1120-S), box 13, code BC, see *Transferees of Eligible Credits Under Section 6418* in the Instructions for Form 3800.

Line 15

Partnerships and S corporations. If you are a(n) partnership or S corporation electing to transfer a renewable electricity production credit with respect to a qualified facility (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 1f or 4e, and not on Schedule K.

Line 16

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.

If the cooperative is subject to the passive activity rules, include on line 14 any renewable electricity credit from

passive activities disallowed for prior years and carried forward to this year. Complete Form 8810, Corporate Passive Activity Loss and Credit Limitations, to determine the allowed credits that can be allocated to patrons. For details, see the Instructions for Form 8810.

The cooperative is deemed to have made the election by completing line 16, 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 15 between the estate or trust and the beneficiaries in the same proportion as income was allocated and enter the beneficiaries’ share on line 16.

If the estate or trust is subject to the passive activity rules, include on line 14 any renewable electricity credit from passive activities disallowed for prior years and carried forward to this year. Complete Form 8582-CR, Passive Activity Credit Limitations, to determine the allowed credit that must be allocated between the estate or trust and the beneficiaries. For details, see the Instructions for Form 8582-CR.

Paperwork Reduction Act Notice. We ask for you to obtain the information on this form to carry out the Internal Revenue laws of the United States. You are required to obtain this information. You aren’t required to obtain 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 Internal Revenue Code section 6103. The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for individual filers is approved under OMB control number 1545-0074, business filers is approved under OMB control number 1545-0123, and trust filers is approved under OMB control number 1545-0092, for the estimated averages, see the instructions for your income tax return. 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.
