

of costs that were reasonably anticipated in providing bona fide fringe benefits to laborers and mechanics pursuant to an enforceable commitment to carry out a plan or program described in 40 U.S.C. 3141(2)(B), including records demonstrating that the enforceable commitment was provided in writing to the laborers and mechanics affected;

(6) The total number of hours worked by each laborer and mechanic per pay period;

(7) The total wages paid to each laborer and mechanic for each pay period (including identifying any deductions from wages);

(8) Records to support wages paid to any qualified apprentices at less than the applicable prevailing wage rates, including records reflecting an individual's participation in a registered apprenticeship program and the applicable wage rates and apprentice-to-journeyworker ratios prescribed by the registered apprenticeship program;

(9) The amount and timing of any correction and penalty payments and documentation reflecting the calculation of the correction and penalty payments, including records to demonstrate eligibility for the penalty waiver in § 1.45–7(c)(6);

(10) Records to document any failures to pay prevailing wages and the actions taken to prevent, mitigate, or remedy the failure (for example, records demonstrating that the taxpayer (or an independent third party engaged by the taxpayer) regularly reviewed payroll practices, included requirements to pay prevailing wages in contracts with contractors, and posted prevailing wage rates in a prominent place on the job site); and

(11) Records related to any complaints received by the taxpayer, contractor, or subcontractor that the taxpayer, contractor, or subcontractor was paying wages less than the applicable prevailing wage rate for work performed by laborers and mechanics with respect to the qualified facility.

(d) *Recordkeeping for the apprenticeship requirements.* Records sufficient to demonstrate compliance with the applicable apprenticeship requirements in section 45(b)(8) and § 1.45–8 may include the following information with respect to each qualified facility:

(1) Any written requests for the employment of qualified apprentices from registered apprenticeship programs, including any contacts with the U.S. Department of Labor's Office of Apprenticeship or a State apprenticeship agency regarding requests for qualified apprentices from registered apprenticeship programs;

(2) Any agreements entered into with registered apprenticeship programs with respect to the construction, alteration, or repair of the facility;

(3) Documents reflecting the standards and requirements of all registered apprenticeship programs from which taxpayers, contractors, or subcontractors employed qualified apprentices with respect to the construction, alteration, or repair of the facility (including the applicable ratio requirement prescribed by each registered apprenticeship program);

(4) The total number of labor hours worked with respect to the construction, alteration, or repair of the qualified facility, including and identifying hours worked by each qualified apprentice;

(5) Records reflecting the daily ratio of apprentices to journeyworkers;

(6) Records demonstrating compliance with the Good Faith Effort Exception in § 1.45–8(f)(1) (including requests for qualified apprentices, correspondence with registered apprenticeship programs, and denials of requests);

(7) The amount and timing of any penalty payments and documentation reflecting the calculation of the penalty payments;

(8) Records to document any failures to satisfy the apprenticeship requirements under section 45(b)(8) and § 1.45–8 and the actions taken to prevent, mitigate, or remedy the failure; and

(9) Records related to any complaints received by the taxpayer, contractor, or subcontractor that the taxpayer, contractor, or subcontractor was not satisfying the apprenticeship requirements under section 45(b)(8) and § 1.45–8.

(e) *Satisfaction of the recordkeeping requirements.* Taxpayers may satisfy the recordkeeping requirements in this section as follows:

(1) Taxpayers may collect and physically retain relevant records from every contractor and subcontractor. The records may have personally identifiable information (PII) redacted to comply with applicable privacy laws. Unredacted information must be made available to the IRS upon request;

(2) Taxpayers, contractors, and subcontractors may provide relevant records to a third party vendor to physically retain on behalf of the taxpayer. The records may have PII redacted to comply with applicable privacy laws. Unredacted records must be made available to the IRS upon request; or

(3) Taxpayers, contractors, and subcontractors may each physically retain the relevant unredacted records for their own employees. Unredacted

records must be made available to the IRS upon request.

(f) *Applicability date.* This section applies to qualified facilities placed in service in taxable years ending after June 25, 2024, and the construction of which begins after June 25, 2024. Taxpayers may apply this section to qualified facilities placed in service in taxable years ending on or before June 25, 2024, and qualified facilities placed in service in taxable years ending after June 25, 2024, the construction of which begins before June 25, 2024, provided that taxpayers follow this section in its entirety and in a consistent manner.

■ **Par. 4.** Sections 1.45L–1 through 1.45L–3 are added to read as follows:

§§ 1.45L–1—1.45L–2 [Reserved]

§ 1.45L–3 Rules relating to the increased credit amount for prevailing wage.

(a) *In general.* With respect to a qualified residence described in section 45L(a)(2)(B), the credit determined under section 45L(a)(2)(B)(i) is \$2,500 and the credit determined under section 45L(a)(2)(B)(ii) is \$5,000 if the qualified residence described in section 45L(a)(2)(B)—

(1) Meets the requirements under section 45L(c)(1)(A) or 45L(c)(1)(B), as applicable;

(2) Is constructed by an eligible contractor;

(3) Is acquired by a person for use as a residence during the taxable year; and

(4) Satisfies the prevailing wage requirements of section 45(b)(7) and § 1.45–7, and the recordkeeping and reporting requirements of § 1.45–12, with respect to the construction of the qualified residence before such residence is acquired by a person for use as a residence.

(b) *Definitions—(1) Qualified residence.* For purposes of this section, a *qualified residence* means a qualified new energy efficient home as defined in section 45L(b)(2).

(2) *Eligible contractor.* For purposes of this section, an *eligible contractor* means an eligible contractor as defined in section 45L(b)(1).

(c) *Applicability date.* This section applies to any qualified new energy efficient home acquired for use as a residence in taxable years ending after June 25, 2024, and the construction of which begins after June 25, 2024. Taxpayers may apply this section to any qualified new energy efficient home acquired for use as a residence in taxable years ending on or before June 25, 2024, and any qualified new energy efficient home acquired for use as a residence in taxable years ending after June 25, 2024, the construction of which

begins before June 25, 2024, provided that taxpayers follow this section in its entirety and in a consistent manner.

■ **Par. 5.** Section 1.45Q–6 is added to read as follows:

§ 1.45Q–6 Rules relating to the increased credit amount for prevailing wage and apprenticeship.

(a) *In general.* If the requirements in paragraph (b) of this section are satisfied with respect to any qualified facility or any carbon capture equipment placed in service at that facility, then the credit determined under section 45Q(a) is multiplied by five.

(b) *Qualified facility and carbon capture equipment requirements.* The requirements of this paragraph (b) are satisfied if any of the following requirements are met—

(1) With respect to a qualified facility within the meaning of section 45Q the construction of which begins on or after January 29, 2023, and any carbon capture equipment within the meaning of section 45Q placed in service at such facility, the taxpayer meets the prevailing wage requirements of section 45(b)(7) and § 1.45–7 with respect to the construction of such facility and equipment and with respect to the alteration or repair of such facility and equipment for any taxable year, for any portion of such taxable year that is within the period described in section 45Q(3)(A) or (4)(A) after the facility or equipment was originally placed in service, the apprenticeship requirements of section 45(b)(8) and § 1.45–8, and the recordkeeping and reporting requirements of § 1.45–12;

(2) With respect to any carbon capture equipment within the meaning of section 45Q the construction of which begins on or after January 29, 2023, and that is installed at a qualified facility the construction of which began prior to January 29, 2023, the taxpayer meets the prevailing wage requirements of section 45(b)(7) and § 1.45–7 with respect to the construction of such equipment and with respect to the alteration or repair of such equipment for any taxable year, for any portion of such taxable year that is within the period described in section 45Q(3)(A) or (4)(A) after the equipment was originally placed in service, the apprenticeship requirements of section 45(b)(8) and § 1.45–8, and the recordkeeping and reporting requirements of § 1.45–12; or

(3) Carbon capture equipment within the meaning of section 45Q the construction of which began prior to January 29, 2023, and such equipment is installed at a qualified facility the construction of which began prior to January 29, 2023.

(c) *Applicability date.* This section applies to qualified facilities and carbon capture equipment placed in service in taxable years ending after June 25, 2024, and the construction of which begins after June 25, 2024. Taxpayers may apply this section to qualified facilities and carbon capture equipment placed in service in taxable years ending on or before June 25, 2024, and qualified facilities and carbon capture equipment placed in service in taxable years ending after June 25, 2024, the construction of which begins before June 25, 2024, provided that taxpayers follow this section in its entirety and in a consistent manner.

■ **Par. 6.** Sections 1.45U–1 through 1.45U–3 are added to read as follows:

§§ 1.45U–1—1.45U–2 [Reserved]

§ 1.45U–3 Rules relating to the increased credit amount for prevailing wage.

(a) *In general.* If a qualified nuclear power facility satisfies the prevailing wage requirements of section 45(b)(7) and § 1.45–7 for any alteration or repair with respect to such qualified nuclear power facility within the meaning of section 45U(b)(1), and the recordkeeping and reporting requirements of § 1.45–12, then the amount of the zero-emission nuclear power production credit for the taxable year is equal to the credit amount determined under section 45U(a) multiplied by five.

(b) *Qualifying Project Labor Agreement for a qualified nuclear power facility.* For the purposes of section 45U and § 1.45–7(c)(6)(ii), in order to be a Qualifying Project Labor Agreement, such agreement must, at a minimum:

(1) Be a collective bargaining agreement with a one or more labor organizations (as defined in 29 U.S.C. 152(5)) of which employees of the qualified nuclear power facility are members and such agreement establishes the terms and conditions of employment at the qualified nuclear power facility;

(2) Contain guarantees against strikes, lockouts, and similar job disruptions;

(3) Set forth effective, prompt, and mutually binding procedures for resolving labor disputes arising during the term of the collective bargaining agreement; and

(4) Contain provisions to pay wages at rates not less than the prevailing rates in accordance with subchapter IV of chapter 31 of title 40 of the United States Code.

(c) *Applicability date.* This section applies to alterations and repairs of qualified nuclear power facilities that are performed after June 25, 2024, for

taxable years beginning after June 25, 2024. Taxpayers may apply this section to alterations and repairs of qualified nuclear power facilities that are performed prior to June 25, 2024 provided that taxpayers follow this section in its entirety and in a consistent manner.

■ **Par. 7.** Sections 1.45V–1 through 1.45V–3 are added to read as follows:

§§ 1.45V–1—1.45V–2 [Reserved]

§ 1.45V–3 Rules relating to the increased credit amount for prevailing wage and apprenticeship.

(a) *In general.* If any qualified clean hydrogen production facility (as defined in section 45V(c)(3)) satisfies the requirements in paragraph (b) of this section, then the amount of the credit for producing qualified clean hydrogen determined under section 45V(a) with respect to qualified clean hydrogen described in section 45V(b)(2) is equal to the credit amount determined under section 45V(a) multiplied by five.

(b) *Qualified clean hydrogen production facility requirements.* A qualified clean hydrogen production facility satisfies the requirements of this paragraph (b) if it is one of the following—

(1) A facility the construction of which began prior to January 29, 2023, and that meets the prevailing wage requirements of section 45(b)(7) and § 1.45–7 with respect to alterations or repairs of a qualified facility within the meaning of section 45V that occur after January 29, 2023 (to the extent applicable), and that meets the recordkeeping and reporting requirements of § 1.45–12; or

(2) A facility that meets the prevailing wage requirements of section 45(b)(7) and § 1.45–7, the apprenticeship requirements of section 45(b)(8) and § 1.45–8, and the recordkeeping and reporting requirements of § 1.45–12 with respect to the construction, alteration, or repair of a qualified facility within the meaning of section 45V.

(c) *Applicability date.* This section applies to qualified clean hydrogen production facilities placed in service in taxable years ending after June 25, 2024, and the construction of which begins after June 25, 2024. Taxpayers may apply this section to qualified clean hydrogen production facilities placed in service in taxable years ending on or before June 25, 2024, and qualified clean hydrogen production facilities placed in service in taxable years ending after June 25, 2024, the construction of which begins before June 25, 2024, provided that taxpayers follow this

section in its entirety and in a consistent manner.

■ **Par. 8.** Sections 1.45Y-1 through 1.45Y-3 are added to read as follows:

§§ 1.45Y-1—1.45Y-2 [Reserved]

§ 1.45Y-3 Rules relating to the increased credit amount for prevailing wage and apprenticeship.

(a) *In general.* If any qualified clean electricity production facility satisfies the requirements in paragraph (b) of this section, the amount of the credit for producing clean electricity determined under section 45Y(a) is the alternative amount described in section 45Y(a)(2)(B), subject to adjustment provided by section 45Y(c).

(b) *Qualified clean electricity production facility requirements.* A qualified facility satisfies the requirements of this paragraph (b) if it is one of the following—

(1) A facility with a maximum net output of less than one megawatt (as measured in alternating current);

(2) A facility the construction of which began prior to January 29, 2023; or

(3) A facility that meets the prevailing wage requirements of section 45(b)(7) and § 1.45-7, the apprenticeship requirements of section 45(b)(8) and § 1.45-8, and the recordkeeping and reporting requirements of § 1.45-12 with respect to the construction, alteration, or repair of a qualified clean electricity production facility within the meaning of section 45Y.

(c) *Applicability date.* This section applies to qualified clean electricity production facilities placed in service in taxable years ending after June 25, 2024, and the construction of which begins after June 25, 2024. Taxpayers may apply this section to qualified clean electricity production facilities placed in service in taxable years ending on or before June 25, 2024, and qualified clean electricity production facilities placed in service in taxable years ending after June 25, 2024, the construction of which begins before June 25, 2024, provided that taxpayers follow this section in its entirety and in a consistent manner.

■ **Par. 9.** Sections 1.45Z-1 through 1.45Z-3 are added to read as follows:

§§ 1.45Z-1—1.45Z-2 [Reserved]

§ 1.45Z-3 Rules relating to the increased credit amount for prevailing wage and apprenticeship.

(a) *In general.* If any qualified facility (as defined in section 45Z(d)(4)) satisfies the requirements in paragraph (b) of this section, the applicable amount used to calculate the clean fuel production

credit determined under section 45Z(a) is the alternative amount described in section 45Z(a)(2)(B) or 45Z(a)(3)(A)(ii), as applicable, subject to the inflation adjustment provided by section 45Z(c).

(b) *Qualified facility for clean fuel production requirements.* A qualified facility (as defined in section 45Z(d)(4)) satisfies the requirements of this paragraph (b) if it is one of the following—

(1) A qualified facility that is placed in service after December 31, 2024, that meets the prevailing wage requirements of section 45(b)(7) and § 1.45-7, the apprenticeship requirements of section 45(b)(8) and § 1.45-8, and the recordkeeping and reporting requirements of § 1.45-12 with respect to the construction, alteration, or repair of such qualified facility; or

(2) A qualified facility that is placed in service before January 1, 2025, that meets the prevailing wage requirements of section 45(b)(7) and § 1.45-7 with respect to any alteration or repair of such qualified facility that is performed in taxable years beginning after December 31, 2024, the apprenticeship requirements of section 45(b)(8) and § 1.45-8 with respect to the construction of such qualified facility, and the recordkeeping and reporting requirements of § 1.45-12.

(3) *Special transition rule for facilities placed in service before January 1, 2025.* Solely for purposes of the apprenticeship requirements of section 45(b)(8) and § 1.45-8, taxpayers that place a qualified facility in service before January 1, 2025, must satisfy the apprenticeship requirements with respect to construction of the facility that occurs 90 days after June 25, 2024.

(c) *Applicability date.* This section applies to qualified facilities for clean fuel production placed in service in taxable years ending after June 25, 2024, and the construction of which begins after June 25, 2024. Taxpayers may apply this section to qualified facilities for clean fuel production placed in service in taxable years ending on or before June 25, 2024, and qualified facilities for clean fuel production placed in service in taxable years ending after June 25, 2024, the construction of which begins before June 25, 2024, provided that taxpayers follow this section in its entirety and in a consistent manner.

■ **Par. 10.** Sections 1.48C-1 through 1.48C-3 are added to read as follows:

§§ 1.48C-1—1.48C-2 [Reserved]

§ 1.48C-3 Rules relating to the increased credit amount for prevailing wage and apprenticeship.

(a) *In general.* If any qualifying advanced energy project (as defined in section 48C(c)(1)(A)) satisfies the prevailing wage requirements of section 45(b)(7) and § 1.45-7, the apprenticeship requirements of section 45(b)(8) and § 1.45-8, and the recordkeeping and reporting requirements of § 1.45-12, with respect to the re-equipping, expansion, or establishment of a qualifying advanced energy project within the meaning of section 48C, the qualifying advanced energy project credit determined under section 48C(a) for any taxable year with respect to credits allocated pursuant to section 48C(e) is an amount equal to 30 percent of the qualified investment for the taxable year. For purposes of this section, the term re-equipping, expansion, or establishment means those activities described in §§ 1.45-7(d)(3) and 1.45-8(g)(1) that are performed with respect to a qualifying advanced energy project within the meaning of section 48C before such project is placed in service.

(b) *Applicability date.* This section applies to qualifying advanced energy projects placed in service in taxable years ending after June 25, 2024, and the re-equipping, expansion, or establishment of which begins after June 25, 2024. Taxpayers may apply this section to qualifying advanced energy projects placed in service in taxable years ending on or before June 25, 2024, and qualifying advanced energy projects placed in service in taxable years ending after June 25, 2024, the re-equipping, expansion, or establishment of which begins before June 25, 2024, provided that taxpayers follow this section in its entirety and in a consistent manner.

■ **Par. 11.** Sections 1.179D-1 through 1.179D-3 are added to read as follows:

§§ 1.179D-1—1.179D-2 [Reserved]

§ 1.179D-3 Rules relating to the increased deduction for prevailing wage and apprenticeship.

(a) *In general.* If any energy efficient commercial building property (as defined in section 179D(c)(1)), energy efficient building retrofit property (as defined in section 179D(f)(3)), or property installed pursuant to a qualified retrofit plan (as defined in section 179D(f)(2)) satisfies the requirements in paragraph (b) of this section, the applicable dollar value for determining the maximum amount of the deduction determined under section 179D(b)(2) is the increased amount

described in section 179D(b)(3)(A). For purposes of this section, installation means those activities described in §§ 1.45–7(d)(3) and 1.45–8(g)(1) that are performed with respect to energy efficient commercial building property, energy efficient building retrofit property, or property installed pursuant to a qualified retrofit plan within the meaning of section 179D before such property is placed in service.

(b) *Certain energy efficient commercial building property requirements.* Energy efficient commercial building property, energy efficient building retrofit property, or property installed pursuant to a qualified retrofit plan satisfies the requirements of this paragraph (b) if it is one of the following—

(1) Property the installation of which began prior to January 29, 2023; or

(2) Property that meets the prevailing wage requirements of section 45(b)(7) of the Code and § 1.45–7, the apprenticeship requirements of section 45(b)(8) of the Code and § 1.45–8, and the recordkeeping and reporting requirements of § 1.45–12, all with respect to the installation of any property.

(c) *Applicability date.* This section applies to energy efficient commercial building property, energy efficient building retrofit property, or property installed pursuant to a qualified retrofit plan installed in taxable years ending after June 25, 2024, and the installation of which begins after June 25, 2024. Taxpayers may apply this section to energy efficient commercial building property, energy efficient building retrofit property, or property installed

pursuant to a qualified retrofit plan installed in taxable years ending on or before June 25, 2024, and energy efficient commercial building property, energy efficient building retrofit property, or property installed pursuant to a qualified retrofit plan installed in taxable years ending after June 25, 2024, the installation of which begins before June 25, 2024, provided that taxpayers follow this section in its entirety and in a consistent manner.

Douglas W. O'Donnell,
Deputy Commissioner.

Approved: June 9, 2024.

Aviva R. Aron-Dine,
*Acting Assistant Secretary of the Treasury
(Tax Policy).*

[FR Doc. 2024–13331 Filed 6–18–24; 8:45 am]

BILLING CODE 4830–01–P