

FEDERAL TAX CREDIT

The fuel cell investment tax credit places material handling and stationary fuel cells on an even footing with other clean energy technologies.

The tax credit entitles the taxpayer to subtract the amount of the credit (dollar-for-dollar) from its total federal tax liability. A tax credit is viewed as superior to a tax deduction, which subtracts money from gross income before tax liability is calculated. This credit is covered under section 48(a)(3) Investment Credit: Energy Credit of the IRS tax code.



DEFINITION

The fuel cell tax credit applies to a percentage of fuel cell system costs, up to a maximum of \$3,000 per kilowatt of fuel cell rated power.

- 2017, 2018, 2019: 30%
- 2020, 2021, 2022: 26%
- 2023: 22%

PROCESS

In order to directly claim the tax credit, corporations must complete the following:

- Complete IRS form 3468 located at www.irs.gov/forms-pubs/form-3468-investment-credit-2 or www.irs.gov
- Attach the form to the corporate tax return

REQUIREMENTS

- Must be operational in the year in which the tax credit is claimed (Projects that commence construction before December 31, 2023 are eligible for a 22% credit if placed into service/commissioned before January 1, 2026)
- Must be used at sites within the United States. This includes Puerto Rico and U.S. territories.
- Must be new fuel cell systems
- Fuel cell systems must be rated at 500W or greater
- Fuel cell system must have an electricity-only generation efficiency greater than 30 percent (Plug Power fuel cells have an efficiency rating over 45%)

Corporate Headquarters

968 Albany Shaker Road
Latham, NY 12110
518.738.0320