

Officials detail federal funding opportunities for Wisconsin businesses

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Federal officials say businesses in Wisconsin will have numerous opportunities to benefit from Inflation Reduction Act tax credits.

In a webinar yesterday, U.S. Sen. Tammy Baldwin said “now is the time” for manufacturers and other Wisconsin companies to make sustainability investments.

“Whether that’s taking advantage of the tax credits for energy efficient practices in lighting, heating or cooling commercial buildings, or enjoying renewable energy solutions like solar or wind, or transitioning to fuel-efficient or electric vehicles,” the Madison Dem said yesterday.

Carla Frisch, principal deputy director for the U.S. Department of Energy’s Office of Policy, touted the sweeping federal law’s focus on boosting domestic manufacturing. She also noted certain tax credits provided by the IRA over the next decade are designed to enforce “strong labor standards.”

She explained that for companies to get the full tax credit incentives, they need to pay prevailing wages for new projects and offer apprenticeship opportunities with a clear path to eventual employment.

“Not meeting those labor standards, you could get a 6 percent tax credit, let’s say if you’re installing clean electricity,” she said yesterday. “But if you are paying prevailing wages and you have those apprenticeship programs, you get five times that amount — a 30 percent tax credit. So it’s a very significant increase.”

She spotlighted IRA provisions aimed at boosting the electric vehicle market, noting they provide a tax credit of up to \$40,000 for large vehicles such as an EV truck. Frisch also noted tax credits for biofuels and sustainable airplane fuels are available through the law.

And she said funding is available to help industrial facilities reduce greenhouse gas emissions by at least 20 percent. The law overall aims to reduce U.S. greenhouse gas emissions by 40 percent by 2030 from 2005 levels, Frisch noted.

“Let’s say you want to make some retrofits, you want to overhaul your facility to reduce emissions, this tax credit is a real opportunity to do that,” she said.

Meanwhile, manufacturers can also benefit from a new “advanced manufacturing production” tax credit, she said. This per-unit credit, claimed on federal corporate income taxes, covers solar, wind, batteries, inverters and production of critical minerals such as aluminum.

And the DOE is now taking applications for nearly \$6 billion in competitive financial support for owners and operators of “energy intensive” industrial facilities, Frisch said.

“This is focused on high-impact, transformational projects to significantly reduce greenhouse gas emissions,” she said. “So that could be for example to purchase or install advanced industrial technologies, to do retrofits, upgrades or operational improvements ... or to actually do the engineering studies and the work to prepare.”

See details on these opportunities here:

<https://www.whitehouse.gov/cleanenergy/inflation-reduction-act-guidebook/>

-By Alex Moe