INFLATION REDUCTION ACT (IRA)
FACT SHEET

FOR
LOCAL GOVERNMENTS AND NONPROFITS



The IRA is the largest investment in clean energy in US history, providing direct financial support for various energy-saving initiatives, creating high-paying, permanent jobs in local communities, promoting energy independence, and improving public health by reducing pollution.

ENVIRONMENTAL JUSTICE

- The IRA addresses equity and **Environmental Justice**. The Environmental and Climate Justice Block Grant Program and Community Change Grants help implement activities that benefit underserved and overburdened communities and engage communities in public processes. These grants also fund climate resilience, air pollution reduction, monitoring and management, workforce development, and more.
- Through the Low-Income Communities Bonus Credit Program, tax credit amounts increase when projects employ domestically manufactured parts, low-income communities benefit from solar and wind, or there is energy community economic development.

LOCAL GOVERNMENT & NONPROFIT BENEFITS

Investments in rooftop solar, zero-emission buses, or all-electric HVAC systems for schools can help cut costs, create good jobs, and reach national, state, and local climate goals. Municipal government leaders can utilize these benefits while educating and inspiring constituents and businesses.

- Direct Pay allows qualifying local governments to receive an automatic, direct payment equal to the value of a relevant tax credit. These direct pay tax credits can even be stacked with other grants and loans that finance projects.
- Climate Pollution Reduction Grants help states, local governments, and metropolitan statistical areas plan and implement policies and projects that achieve or facilitate climate pollution reduction!
- Greenhouse Gas Reduction Fund provides grants and financing to reduce greenhouse gas emissions for communities.
- Vehicles
  - The Clean Heavy Duty Vehicle Program provides grants and rebates for replacing heavy-duty vehicles with clean, zero-emission ones.
  - The Charging and Fueling Infrastructure Discretionary Grant Program funds deploying electric vehicle charging.
  - The Commercial Clean Vehicle Credit covers up to 30% of zero-emission commercial vehicle costs, at most $7,500 for light-duty vehicles and $40,000 for heavier-duty vehicles.
  - Businesses and individuals can access the Alternative Fuel Vehicle Refueling Property Credit to cover up to 30% of EV charger and installation costs, at most $100,000 per charger.

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- Clean Energy
  - The Clean Energy Investment Tax Credit covers 30% of the cost of solar installation, geothermal heat pumps, battery storage, and more!
  - The Clean Energy Production Tax Credit provides a base of $27.50 per megawatt hour for the first 10 years, including geothermal, utility-scale projects such as municipal-owned community solar, or rooftop solar for institutional buildings.
- Buildings
  - The Energy Efficient Commercial Buildings Deduction offsets costs of large-scale retrofits, such as heat pumps and HVAC improvements that improve energy efficiency. Retrofits must reduce energy usage by at least 25%.