

Press Coverage | January 2, 2023

5 Inflation Reduction Act Questions for the Energy Industry

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[Anne C. Loomis](#)

Anne Loomis, a partner in Troutman Pepper's Tax and Energy Practice Groups, was quoted in the January 2, 2023 *Law360* article, "[5 Inflation Reduction Act Questions for the Energy Industry](#)."

But Troutman Pepper tax partner Anne Loomis said developers still have a host of questions for Treasury, including the scope of project construction, modification and repair activities that the prevailing wage and apprenticeship requirements will apply to, and whether they will apply to offsite manufacturing of project components or to repair work once a project is up and running.

"They need to be addressed now while they're getting their contracts in place," Loomis said. "They're very much live issues that the IRS could weigh in on, even if they're not ready to answer all the questions about prevailing wage and apprenticeship."

...

"That is going to cause some slowdown in the tax credit market until we know what the procedure is going to look like," Loomis of Troutman Pepper said

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One such provision is a tax credit bonus for building projects in "energy communities," which include brownfields, areas with shuttered coal mines, or high-unemployment areas that were historically home to fossil fuel industry jobs. It makes projects a lot more valuable given the amount of potential "energy communities" available, but there's no precise precedent to go on, Loomis of Troutman Pepper said.

"If you have a facility that's going to be partially in an energy community, how much of your facility needs to be in that energy community for the project to qualify for the enhancement?" Loomis said. "Does the whole project qualify, or just the portion that's in the community?"

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