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Treasury Department and IRS Update Energy Community Bonus Guidance

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On April 10, 2023, the Treasury Department and the Internal Revenue Service (IRS), without a formal announcement, released a revised version of [Notice 2023-29](#) (the Revised Notice) on the IRS website. The Treasury Department and the IRS released the initial version of Notice 2023-29 on April 4, 2023. Bracewell's full discussion of Notice 2023-29 can be found [here](#).

The Revised Notice makes one substantive change to the initial version of Notice 2023-29. The Revised Notice limits the application of the BOC Test to projects for which construction begins on or after January 1, 2023. The initial version of Notice 2023-29 did not include this limitation and provided that the BOC Test is satisfied if the relevant project is located in an Energy Community on the date construction of the project begins, regardless of the year in which construction begins.

The Revised Notice also makes several non-substantive revisions to the initial version of Notice 2023-29.