



HANCOCK ASKEW & CO LLP  
ACCOUNTANTS & ADVISORS

# INFLATION REDUCTION ACT OF 2022

## *SUMMARY GUIDE*

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On August 16, President Biden signed the Inflation Reduction Act (IRA) into law. The enormous bill—clocking in at 725 pages—contains a wide range of provisions and comes with a nearly \$750 billion price tag. “The bill is fighting inflation and has a whole lot of collateral benefits as well,” said former Treasury Secretary Larry Summers, who reportedly helped craft the legislation.

We have compiled this broad summary of the entire IRA. Over the next several weeks and months we will also be issuing more in depth summaries of specific areas of the IRA, particularly those concerning income tax changes. Please stay tuned and reach out to us with any particular questions or areas which we can assist you.

## Provisions for Funding the IRA

In order to cover the \$750 billion price tag of the IRA, authors of the legislation included a variety of savings- and revenue-related provisions. Here is a breakdown of how the IRA will be funded (please note that the numbers are estimates from the Joint Committee on Taxation and the Congressional Budget Office):

### 1. Savings in the Healthcare Arena (\$288 billion)

- a. Repeal of a Trump-era drug rebate rule
- b. An inflation cap on drug prices
- c. An allowance for Medicare to negotiate certain drug prices

### 2. New Revenue

- a. A new 15% corporate minimum tax for corporations with financial statement (“book”) income exceeding \$1 billion (\$313 billion)
- b. Increased revenue as a result of IRS tax enforcement funding (\$124 billion)
- c. A 1% excise tax on corporate stock buybacks
- d. Methane and Superfund fees

# INTRODUCTION

## How IRA Funds Will be Spent

So how will the \$750 billion raised via savings and new revenue be spent? Here is a brief overview of initiatives included in the IRA (please note that the numbers are estimates from the Joint Committee on Taxation and the Congressional Budget Office):

### Climate & Energy Spending (\$369 billion)

- a. Creation of new clean manufacturing tax credits
- b. Establishment of additional clean electricity grants and loans
- c. Creation of a new “Clean Energy Technology Accelerator”
- d. Incentivization of clean agriculture
- e. Incentivization of clean electronic vehicle manufacturing
- f. Additional energy and climate provisions

### Healthcare Spending (\$64 Billion)

- a. A three-year extension of Obamacare subsidies for health care insurance costs
- b. A redesign of Medicare Part D and additional health care provisions

### IRS Funding

- a. Funding for increased IRS enforcement (namely, to enhance IT systems and compensate specialized employees—for more details, read IRS Commissioner Charles Rettig’s letter on the intended use of funding and plans for enforcement)

### Other Spending

- a. Reducing the Federal deficit (\$300+ billion)

**Read on to learn more about the specific tax provisions that the IRA introduced or changed.**

## CORPORATE PROVISIONS

### Corporate Alternative Minimum Tax

Effective for tax years beginning after December 31, 2022, a new 15% alternative minimum “book” tax will apply to corporations based on the corporations’ average annual adjusted financial statement income, derived from the net income stated on the GAAP-conforming financial statements. The income test is met when a corporation’s average adjusted financial statement net income<sup>[SL1]</sup> (book profit) for the three-tax-year period ending with the current tax year exceeds \$1 billion. There is a lower book net income threshold for US subsidiaries of foreign multinationals of \$100 million.

### 1% Excise Tax on Corporate Stock Repurchases

For domestic corporations that have stock trading on an established securities market, repurchases of stock executed after December 31, 2022 will be subject to an excise tax equal to 1% of the repurchased stock’s fair market value. This tax does not apply:

1. If the repurchase is part of a reorganization in which no gain or loss is recognized,
2. If the repurchased stock is subsequently contributed to an employee stock ownership plan (ESOP), an employee sponsored retirement plan, or a similar plan,
3. If the total value of the repurchased stock does not exceed \$1 million,
4. If the repurchase is by a dealer in securities in the ordinary course of business,
5. If the repurchase is executed by a regulated investment company or a real estate investment trust (REIT), OR
6. To the extent that the repurchase is treated as a dividend.

## DRUG & HEALTHCARE PROVISIONS

### Extension of Favorable ARPA Premium Tax Credit Rules for 2023-2025

The Inflation Reduction Act extends the favorable amendments to the premium tax credit introduced by the American Rescue Plan Act (ARPA) of 2021. The ARPA paused inflation indexing of premium growth levels for 2021 and 2022 and allowed those with household income over 400% of the federal poverty line to be eligible for the credit. These provisions were planned to revert to normalcy after 2022. However, the Inflation Reduction Act extends these favorable provisions into 2023 and through 2025, continuing to expand those eligible for the credit to all taxpayers above the 400% threshold and increase the amount of the credit otherwise available.

### Drug Manufacturer Pricing Rules and Excise Tax

The Inflation Reduction Act targets the pricing of certain “designated drugs,” requiring an agreement to be made between the drug manufacturer and the Secretary of Health and Human Services regarding a maximum fair price.

Generally, periods under which these negotiation-eligible drugs are manufactured within or brought to the US while no pricing agreement with the Secretary of Health and Human Services exists are considered “noncompliance periods.” Sales of a designated drug during a noncompliance period are subject to the new excise tax, the rate of which ranges from 185.17% to 1900% of the drug price, depending on the length of noncompliance.

The excise tax applies the day after the Inflation Reduction Act’s date of enactment, but the earliest date a “noncompliance period” can commence is October 2, 2026.



## EXCESS BUSINESS LOSS PROVISIONS

### Extension of Limitation of Excess Business Losses of Noncorporate Taxpayers

Prior to the Act, excess business losses of noncorporate taxpayers were not allowed for any taxable year beginning after December 31, 2020, and before January 1, 2027.

Effective for tax years beginning after December 31, 2026, the Act extends the disallowance of excess business losses of noncorporate taxpayers for any tax year beginning before December 31, 2029.

## ENVIRONMENTAL PROVISIONS

### Extension, Increase, and Modifications of Nonbusiness Energy Property Credit

The Act extends the time period individuals may place nonbusiness energy property in service to take the credit to January 1, 2033, in addition to increasing the credit to 30% of the investment in such property incurred within the tax year.

Qualifying investments and improvements include insulation materials and systems, exterior windows and doors, high-efficiency central air conditioners, qualifying hot water boilers, and more.

Further, the Act no longer requires that residential property expenditures be made on the taxpayer's principal residence. The Act also eliminates the lifetime credit limitation, replacing it with a yearly credit limit of \$1,200 per taxpayer.

These updated provisions apply to property placed in service after December 31, 2022.

### Adjustment of Credit for Electricity Produced from Certain Renewable Sources

Prior to the Act, the renewable electricity production credit provided a credit of 1.5 cents per kilowatt hour of electricity both (1) produced by the taxpayer from qualified energy resources in a qualified facility and (2) sold by the taxpayer to an unrelated party during the tax year.

Applying retroactively to facilities placed in service after December 31, 2021, the Inflation Reduction Act extends the qualified facility construction commencement requirement to before January 1, 2025. The Act also adds two new requirements to qualify for the full 1.5 cent base amount: a wage requirement and an apprenticeship requirement. Those who do not meet both requirements are limited to a 0.3 cent base amount. Additionally, taxpayers can increase their credit by 10% if an applicable percentage of steel, iron, or manufactured products used in the facility are produced in the US.

This credit is included as a component of the general business credit, a nonrefundable credit with a one-year carryback and 20-year carryforward, available to owners, members, or partners of a corporation, partnership, or sole proprietorship, limited to net income tax minus the greater of (1) the tentative minimum tax or (2) 25% of the net regular tax liability above \$25,000.



## ENVIRONMENTAL PROVISIONS - CONTINUED

### Extension and Modification of the Section 48 Energy Credit

Prior to the Act, the energy credit provided a tax credit to both businesses and investors for eligible energy property placed into service during the tax year. The credit was equal to either 30% or 10% of the investment depending on the class of property, limited to.

Effective for facilities placed in service after December 31, 2021, the Inflation Reduction Act expands the amount of property that qualify for the credit, in addition to expanding the amount of property that qualifies as “type 2 solar property.” Required construction commencement dates for different classes of property were adjusted as well. The Act further establishes a lowered base credit amount of 6% that can be increased through compliance with one of various incentives.

This credit is included as a component of the general business credit, a nonrefundable credit with a one-year carryback and 20-year carryforward, available to owners, members, or partners of a corporation, partnership, or sole proprietorship, limited to net income tax minus the greater of (1) the tentative minimum tax or (2) 25% of the net regular tax liability above \$25,000.

### Extension and Modification of Residential Clean Energy Credit

The Act expands the nonrefundable residential clean energy credit available to individuals to include qualifying property installed in years before 2035. Property that qualifies for this credit includes property relating to solar electricity, solar water heating, fuel cell generation, small wind energy, geothermal heat pumps, and more.

Further, the percentage of the taxpayer’s investment that qualifies for the credit varies based on the date the property is placed into service: 26% for property placed in service before January 1, 2022; 30% for property placed in service after December 31, 2021, and before January 1, 2033; 26% for property placed in service after December 31, 2032, and before January 1, 2034; and 22% for property placed in service after December 31, 2033, and before January 1, 2035.

### Accelerated Cost Recovery for Green Building Property

Prior to the Act, taxpayers who own commercial properties were allowed a deduction for energy efficient commercial building (EECB) property, the amount of which was found by multiplying the inflation adjusted rate (\$1.88 for 2022) by the square footage of the building. This amount was then reduced by the total EECB deductions taken in all prior years.

For a building to qualify as an EECB, the building had to be part of a certified plan for annual energy and power savings of at least 50%. If the certification was not met, taxpayers could receive a partial deduction for meeting other energy-saving targets set by the IRS.

Applicable to tax years after December 31, 2022, the Act relaxes the minimum EECB efficiency standard required for deduction benefits from a 50% reduction in total annual energy and power costs to 25%. The Act reduces the base deduction to \$0.50 per square foot, however it can be increased by \$0.02 for each percentage point cost reduction above 25%, with a maximum of \$1.00. Further, the reduction of the deduction only looks back to the prior three years preceding the tax year.

## ENVIRONMENTAL PROVISIONS - CONTINUED

### Certain Green Energy Property Classified as MACRS 5-Year Property

The Act adds three new categories of green energy property to the MACRS 5-year property classification: (1) Qualified facilities for the Clean Energy Production Credit, (2) Qualified property for the Clean Energy Investment Credit, and (3) Energy Storage Technology for the Energy Credit. The classifications apply to facilities and property placed in service after December 31, 2024. Thus, this change in credit changes a 39 year depreciable life property into a 5 year property possibly eligible for first year bonus and Sec. 179 depreciation, a significant acceleration in depreciation. The depreciable basis is reduced by the amount of credits taken.



### Clean Energy Production Credit

The Act establishes a new credit for facilities placed in service after 2024. The credit is available for facilities that meet certain emissions targets at a base rate of 0.3 cents per kilowatt hour produced and sold or stored. Qualified facilities that have a maximum output of 1 megawatt and meet other requirements have an increased credit rate of 1.5 cents.

Taxpayers will choose between the new clean energy production credit or the new clean energy investment credit.

This credit is included as a component of the general business credit, a nonrefundable credit with a one-year carryback and 20-year carryforward, available to owners, members, or partners of a corporation, partnership, or sole proprietorship, limited to net income tax minus the greater of (1) the tentative minimum tax or (2) 25% of the net regular tax liability above \$25,000.

### Clean Energy Investment Credit

The Act establishes a new credit for investments in clean energy property placed in service after 2024. The credit equals 6% of the taxpayer's investment in the qualified property in the tax year the property was placed in service. An increased credit up to 30% is available for investments in qualified facilities that have a maximum output of 1 megawatt and meet other requirements. A bonus credit of 10% or 20% applies to investments in qualified clean production facilities located in low-income communities or on Tribal lands.

Taxpayers will choose between the new clean energy investment credit or the new clean energy production credit.

This credit is included as a component of the general business credit, a nonrefundable credit with a one-year carryback and 20-year carryforward, available to owners, members, or partners of a corporation, partnership, or sole proprietorship, limited to net income tax minus the greater of (1) the tentative minimum tax or (2) 25% of the net regular tax liability above \$25,000.

## ENVIRONMENTAL PROVISIONS - CONTINUED

### Elective Payments and Transferable Credits for Energy Property and Electricity Produced from Certain Renewable Resources, Etc.

The Act provides “applicable entities” the choice to elect for certain energy and other environmental credits to be treated as making a payment against their income tax.

“Applicable entities” include (1) any organization exempt from income tax, (2) any state or local government (or political subdivision thereof), (3) the Tennessee Valley Authority, (4) an Indian tribal government, (5) any Alaska Native Corporation, or (6) any corporation operating on a cooperative basis that is engaged in furnishing electric energy to persons in rural areas.

For nonapplicable entities, certain energy and other environmental credits are transferable to other taxpayers.

### Increased Energy Credit for Solar and Wind Facilities in Certain Low-Income Communities

Before the enactment of the Inflation Reduction Act of 2022, taxpayers could claim a credit of up to 30 percent of the basis of solar energy and wind energy property that was placed in service during the taxable year.

Taking effect on January 1, 2023, the Act provides an added credit of either 10% or 20% for any qualified solar or wind facility for which the IRS makes an allocation of “environmental justice solar and wind capacity.” To qualify for the allocation, a qualified solar or wind facility must be located in a low-income community or on Indian land or must be part of a qualified low-income residential building project or a qualified low-income economic benefit project. A recapture provision applies for property that ceases to be eligible for the increased amount.

This credit is included as a component of the general business credit, a nonrefundable credit with a one-year carryback and 20-year carryforward, available to owners, members, or partners of a corporation, partnership, or sole proprietorship, limited to net income tax minus the greater of (1) the tentative minimum tax or (2) 25% of the net regular tax liability above \$25,000.

### Extension and Modification of the Credit for Carbon Oxide Sequestration

Prior to the Act, a credit of \$20 per metric ton of captured qualified carbon oxide was available for taxpayers operating a qualified facility placed in service prior to February 9, 2018, with a constantly increasing dollar amount for qualified carbon oxide captured by equipment placed in service after February 8, 2018. Qualified facilities were required to capture a varying minimum amount of carbon oxide based on the type of facility.

The Act extends the timeframe that qualifying facilities can begin construction from January 1, 2023 to December 31, 2032. Further, the minimum annual capture requirements to qualify a facility for the credit have been drastically reduced.

This credit is included as a component of the general business credit, a nonrefundable credit with a one-year carryback and 20-year carryforward, available to owners, members, or partners of a corporation, partnership, or sole proprietorship, limited to net income tax minus the greater of (1) the tentative minimum tax or (2) 25% of the net regular tax liability above \$25,000.



## ENVIRONMENTAL PROVISIONS - CONTINUED

### Extension of Incentives for Biodiesel, Renewable Diesel, and Alternative Fuels

Prior to the Act, taxpayers could claim a credit for \$1-per-gallon of biodiesel or biodiesel mixture produced and used or sold on or before December 31, 2022.

The Act permits taxpayers to additionally claim a credit for the sales and use of alternative fuel and alternative fuel mixtures, and it extends the eligibility of the credit to December 31, 2024. The Act also allows taxpayers to claim a refund of excise tax for certain uses of biodiesel fuel mixtures and alternative fuel.

This credit is included as a component of the general business credit, a nonrefundable credit with a one-year carryback and 20-year carryforward, available to owners, members, or partners of a corporation, partnership, or sole proprietorship, limited to net income tax minus the greater of (1) the tentative minimum tax or (2) 25% of the net regular tax liability above \$25,000.

### New Income or Excise Tax Credit Allowed for Sustainable Aviation Fuel for 2023 and 2024

The Act establishes a new sustainable aviation fuel credit allowed against either income tax or excise tax liability. Taxpayers receive a basic credit of \$1.25 per gallon of a qualified mixture of sustainable aviation fuel and kerosene that is produced by the domestic taxpayer, used or sold for use in the ordinary course of the taxpayer's trade or business, and transferred to the fuel tank of the aircraft in the US. The credit applies to fuel sold or used after December 31, 2022 but before January 1, 2025.

This credit is included as a component of the general business credit, a nonrefundable credit with a one-year carryback and 20-year carryforward, available to owners, members, or partners of a corporation, partnership, or sole proprietorship, limited to net income tax minus the greater of (1) the tentative minimum tax or (2) 25% of the net regular tax liability above \$25,000.

### Extension, Increase, and Modification of New Energy Efficient Home Credit

Prior to the Act, eligible home contractors received a credit for each new energy efficient home constructed by the eligible contractor and acquired by a person for use as a residence within the taxable year. The amount of the credit was either \$1,000 or \$2,000 per qualifying home, depending on which energy efficiency requirements the home satisfied.

Energy efficiency requirements included various "Energy Star National Program" requirements.

Applicable for qualified new energy efficient homes acquired before January 1, 2033, the Act increases the maximum per-home amount of the credit to \$5,000, with lower tiers of \$500, \$1,000, and \$2,500, depending on energy efficiency requirement fulfillment. Further, there is an added wage requirement that requires the taxpayer to ensure that the wages paid to those involved in the construction of the house are not less than the prevailing wage requirements determined by the Secretary of Labor.

This credit is included as a component of the general business credit, a nonrefundable credit with a one-year carryback and 20-year carryforward, available to owners, members, or partners of a corporation, partnership, or sole proprietorship, limited to net income tax minus the greater of (1) the tentative minimum tax or (2) 25% of the net regular tax liability above \$25,000.

## ENVIRONMENTAL PROVISIONS - CONTINUED

### New Clean Vehicle Credit

The Act renames the NQPEDMV credit “the Clean Vehicle Credit.” Further, the Act eliminated the number of eligible vehicles allowed for the credit, applicable to vehicles sold after December 31, 2022. The credit’s calculation is also simplified, providing \$3,750 each for the critical mineral requirement and battery component requirement, subject to a modified adjusted gross income limit. The final assembly of the vehicle must take place in North America to qualify.

### Credit for Previously-Owned Clean Vehicles

The Act establishes a new credit for the placing in service of previously-owned clean vehicles equal to the lesser of \$4,000 or 30% of the vehicle’s sales price, subject to a modified adjusted gross income limitation.

### New Credit for Qualified Commercial Clean Vehicles

The Act establishes a new credit for qualified commercial clean vehicles acquired and placed into service after December 31, 2022. The maximum credit for each vehicle less than 14,000 pounds is \$7,500, with a \$40,000 credit for heavier vehicles. The amount of the credit varies based on how “green” the vehicle is, among other metrics.

### Alternative Fuel Vehicle Refueling Property Credit

Prior to the Act, a 6% tax credit was available for the cost of any qualified fuel vehicle refueling property placed in service by a business or at a taxpayer’s principal residence before January 1, 2022. The Act extends the availability of this credit to eligible property placed in service before January 1, 2033. The Act further allows for an increase in the credit to 30% if certain wage and apprenticeship requirements are met, with a maximum credit of \$100,000.



## ENVIRONMENTAL PROVISIONS - CONTINUED

### Qualifying Advanced Energy Project Credit

The Act provides an additional \$10 billion to the prior \$2.3 billion allocated to the amount of qualifying advanced energy project credits available. Taxpayers' investments are deemed qualifying advanced energy manufacturing projects if the project re-equips, expands, or establishes a manufacturing facility for the production of solar, wind, and geothermal production property, carbon capturing or sequestering property, advanced energy property designed to reduce greenhouse gas emissions, and more.

Further, the base rate for the credit equals 6% of the taxpayer's basis in the property, increasing to 30% if certain wage and apprenticeship requirements are met, effective January 1, 2023.

This credit is included as a component of the general business credit, a nonrefundable credit with a one-year carryback and 20-year carryforward, available to owners, members, or partners of a corporation, partnership, or sole proprietorship, limited to net income tax minus the greater of (1) the tentative minimum tax or (2) 25% of the net regular tax liability above \$25,000.

### New Credit for Zero-Emission Nuclear Power Production

Effective after December 31, 2023, the Act establishes a new credit for zero-emission nuclear power production, which provides 0.3 cents per kilowatt hour of electricity provided by the taxpayer at a qualified nuclear power facility and sold by the taxpayer during the taxable year, to the extent this amount exceeds a "reduction amount" based on the price of electricity. An increase of the credit to 1.5 cents per kilowatt hour can be achieved through satisfaction of wage and apprenticeship requirements.

This credit is included as a component of the general business credit, a nonrefundable credit with a one-year carryback and 20-year carryforward, available to owners, members, or partners of a corporation, partnership, or sole proprietorship, limited to net income tax minus the greater of (1) the tentative minimum tax or (2) 25% of the net regular tax liability above \$25,000.

### Extension of Second-Generation Biofuel Producer Credit to 2024

Generally, the Biofuel credit is available for liquid fuel derived by, or from, "qualified feedstocks." The Inflation Reduction Act of 2022 extends the availability of the Biofuel credit to production before January 1, 2025, and it includes all of 2022.

This credit is included as a component of the general business credit, a nonrefundable credit with a one-year carryback and 20-year carryforward, available to owners, members, or partners of a corporation, partnership, or sole proprietorship, limited to net income tax minus the greater of (1) the tentative minimum tax or (2) 25% of the net regular tax liability above \$25,000.

### Clean Hydrogen Production Credit

Effective after December 31, 2022, the Act establishes a new credit for the production of clean hydrogen ranging from \$0.12 to \$0.60 per kilogram of clean hydrogen produced based on how clean the hydrogen is. The amount of the credit is multiplied by five if certain wage and apprenticeship requirements are met.

## ENVIRONMENTAL PROVISIONS - CONTINUED

### Advanced Manufacturing Production Credit

The Act establishes a new credit for various types of eligible components, such as solar energy components and wind energy components, manufactured by the taxpayer and sold (or assembled into another product and sold) to an unrelated party. This credit is computed at the component-level with varying rates and phase-outs.

This credit is included as a component of the general business credit, a nonrefundable credit with a one-year carryback and 20-year carryforward, available to owners, members, or partners of a corporation, partnership, or sole proprietorship, limited to net income tax minus the greater of (1) the tentative minimum tax or (2) 25% of the net regular tax liability above \$25,000.

### Hazardous Substance Superfund Tax on Crude Oil and Petroleum Products Reinstated & Increased

Currently, crude oil received at US refineries and petroleum products entered into the US are subject to a \$0.09-per-barrel excise tax through 2025, funding the Oil Spill Liability Trust Fund. In addition to this tax, the Inflation Reduction Act reinstates the Hazardous Substance Superfund tax, an excise tax on crude oil and petroleum products, at a heightened rate of \$0.164-per-barrel, beginning after 2022.

### New Clean Fuel Production Credit

The Act establishes a new credit for the production of low-emissions transportation fuel suitable for qualified highway vehicles or aircrafts, effective for fuel produced after December 31, 2024. When produced at a qualifying US facility, the credit base amount is \$0.20 per gallon (0.35 for aviation fuel) multiplied by an applicable emissions factor. If certain wage and apprenticeship requirements are met, a higher base amount of \$1.00 per gallon (\$1.75 for aviation fuel) applies.

This credit is included as a component of the general business credit, a nonrefundable credit with a one-year carryback and 20-year carryforward, available to owners, members, or partners of a corporation, partnership, or sole proprietorship, limited to net income tax minus the greater of (1) the tentative minimum tax or (2) 25% of the net regular tax liability above \$25,000.

### Coal Excise Tax Rates Permanently Extended

The Act eliminates the reduced rates applicable to coal excise tax, reinstating the tax rates at \$1.10 per ton for coal from underground mines and \$0.55 per ton for surfaced mined coal, not to exceed 4.4% of the sales price. These rate adjustments are effective for sales in calendar quarters beginning after the date of enactment.

## QUALIFIED SMALL BUSINESS PROVISION

### Increase in Qualified Small Business Payroll Tax Credits for Increasing Research Activities

In addition to the pre-Inflation Reduction Act of 2022 qualified small business (QSB) payroll tax credit, effective for tax years beginning after December 31, 2022, the Act allows QSBs the ability to apply an additional \$250,000 in qualified research expenses (those that qualify for the Section 41 research and development credit) as a payroll tax credit against the employer share of Medicare. Any excess may be carried forward.

This credit is included as a component of the general business credit, a nonrefundable credit with a one-year carryback and 20-year carryforward, available to owners, members, or partners of a corporation, partnership, or sole proprietorship, limited to net income tax minus the greater of (1) the tentative minimum tax or (2) 25% of the net regular tax liability above \$25,000.

## FARM-RELATED PROVISIONS

### Tax Treatment of Certain Payments to Farmers

The Inflation Reduction Act provides that certain payments made to farmers as a result of the American Rescue Plan of 2021 are excludable from the recipients gross income, and not denied applicable deductions as a result of the exclusion, effective as of the date of enactment. Specific provisions apply to partnership and S corporation recipients.

### Extension of Limitation on Excess Farm Losses of Noncorporate Taxpayers

The Act extends the pausing of limitations on excess farm losses for noncorporate taxpayers in tax years that the taxpayers had received applicable subsidies, effective for tax years beginning before December 31, 2029.

Effective for tax years beginning after December 31, 2026.



***Prepared & Written by:***

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**Contact your trusted Hancock Askew advisor to assist with guidance on the Inflation Reduction Act and how certain provisions may impact you or your business.**

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