

## PUBLICATIONS

# Renewable Energy Credit Transfers and the Passive Activity Rules

## Tax Notes

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In his article for *Tax Notes* entitled “Renewable Energy Credit Transfers and the Passive Activity Rules,” Schulte special counsel Chaim Stern provides a critical analysis of the recently released proposed regulations under section 6418 and argues that they contravene the policy objective of expanding access to renewable energy credits through reduced risk for credit investors.

Section 6418, which was added to the code as part of the Inflation Reduction Act (IRA, P.L. 117-169), makes certain renewable energy credits transferable for the first time. Proposed Treasury regulations issued on June 14 (REG-101610-23) would apply the “passive activity” rules to credit purchasers, significantly restricting the potential customer base for renewable energy credits. The article provides relevant background, describes various alternative approaches to the issue, and lays out a series of critiques to the approach adopted by the proposed regulations.

[Read the article here.](#) (subscription required)

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## Related People



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## Practices

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