



Legislation Details (With Text)

File #: 81433 **Version:** 1 **Name:** IRA_TaxCredits
Type: Resolution **Status:** Passed
File created: 1/4/2024 **In control:** Finance Department
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Enactment date: 1/26/2024 **Enactment #:** RES-24-00066

Title: A Resolution authorizing the Mayor and Finance Director and their designees to sign forms and agree to legal terms necessary to register and file for tax credits and deductions under the Inflation Reduction Act of 2022.

Sponsors: Satya V. Rhodes-Conway, Jael Currie, Derek Field, Amani Latimer Burriss

Indexes:

Code sections:

Attachments: 1. IRS Inflation Reducation Act Strategic Operating Plan.pdf, 2. Elective Pay Overview.pdf, 3. State and Local Governments.pdf, 4. Elective Pay Eligible Tax Credits.pdf

Date	Ver.	Action By	Action	Result
1/23/2024	1	COMMON COUNCIL	Adopt Unanimously	Pass
1/16/2024	1	FINANCE COMMITTEE	RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER	Pass
1/9/2024	1	COMMON COUNCIL	Refer	Pass
1/4/2024	1	Finance Department	Referred for Introduction	

Fiscal Note

The 2024 adopted capital improvement plan (CIP) includes \$13.4 million in federal sources related to receipt of elective pay tax credits for eligible projects under the Inflation Reduction Act of 2022. To receive the credits, the City will have to submit various forms and documentation to satisfy eligibility requirements. This resolution authorizes the Mayor, Finance Director, or designated staff to sign documents, agree to terms and conditions, and take other actions necessary to register and file for tax credits and deductions under the Inflation Reduction Act of 2022. No additional appropriation is required.

Title

A Resolution authorizing the Mayor and Finance Director and their designees to sign forms and agree to legal terms necessary to register and file for tax credits and deductions under the Inflation Reduction Act of 2022.

Body

WHEREAS, on August 16, 2022, President Biden signed into law the Inflation Reduction Act, marking the most significant action the United States Congress has taken on clean energy and climate change in the nation's history, which includes \$369,000,000,000 in direct investments to lower energy costs for families and small businesses, accelerate private investment in clean energy solutions, strengthen supply chains for everything from critical minerals to efficient electric appliances, and create good-paying jobs and new economic opportunities for workers; and

WHEREAS, the Inflation Reduction Act includes a provision allowing direct payment of clean energy incentives to tax-exempt entities who cannot take advantage of federal tax credits for clean energy, such as states, counties and cities; and

WHEREAS, the City of Madison is committed to using low carbon strategies to meet community-wide economic, environmental, and social challenges, as well as advancing equity by ensuring that all people have access and opportunity to benefit from climate solutions while not bearing an unequal burden of the impacts of climate change; and

WHEREAS, local government entities must aggressively and expeditiously pursue this opportunity to maximize the use of federal funds, which will reduce the costs of installing renewable energy systems and build institutional capacity; and

WHEREAS, per APM 1-1 and MGO 4.26 city employees and officials cannot bind the City to legal or contractual terms without express authorization; and

NOW, THEREFORE, BE IT RESOLVED, the Common Council authorizes the Mayor or designee, the Finance Director or designee, and any other staff designated by them, to sign documents, agree to terms and conditions (with City Attorney approval) and take all actions necessary register and file for tax credits and deductions under the Inflation Reduction Act of 2022.