

DIRECT PAY GUIDE

A New Way to Go Solar for Tax-Exempt Entities

For the first time, non-profits and municipal entities are eligible for the solar tax credit, at 30% of their solar investment. This is called Direct Pay, and it allows tax exempt and governmental entities to receive a payment equal to the full value of the tax credits for qualifying clean energy projects. The Inflation Reduction Act of 2022 enabled access to these funds. They are referenced in tax section 48E, and by using Tax Form 3468.

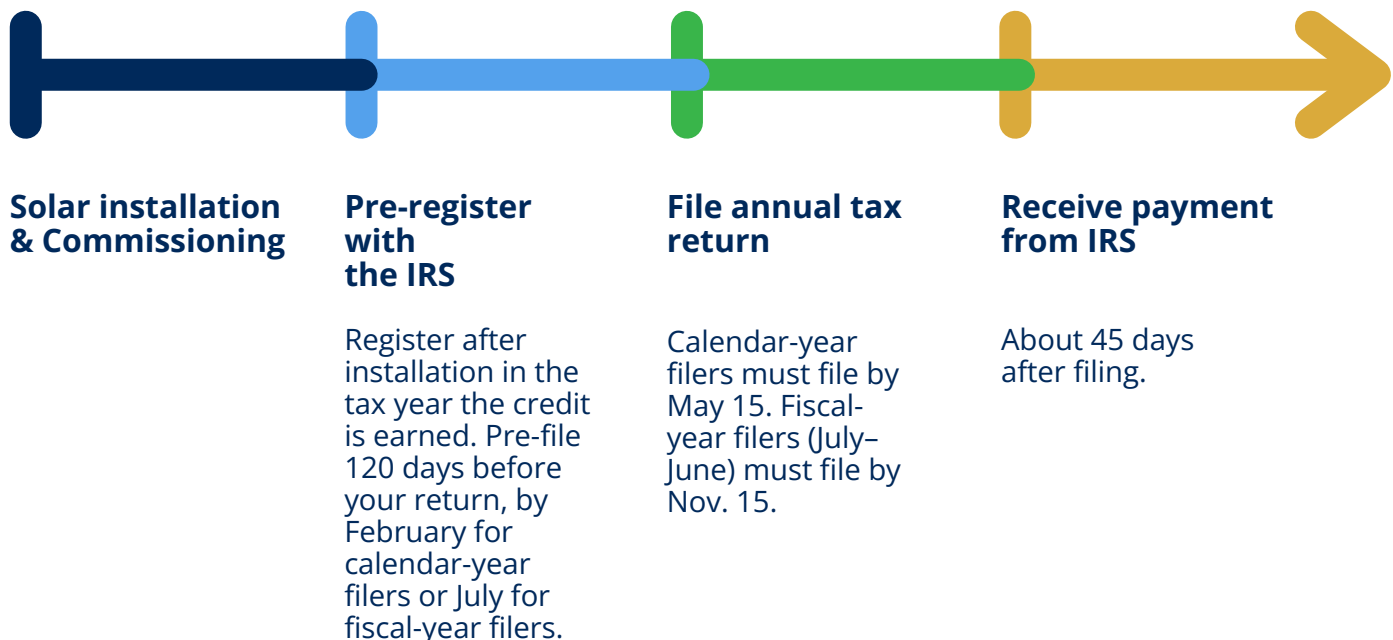
Considerations for Filing Support

Filing for Direct Pay requires specialized tax software, and you should expect fees for professional assistance, as many CPAs charge significant costs. Deloitte and Giraffe both offer filing support, with Giraffe collecting about 7% after you receive your tax return.

How to begin the process

The filing process for Elective Pay begins after the solar has been placed in service. First, you need to **Register for elective payment.**

Here's how it works, step by step:



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Find IRS Guidance for Your Organization:

- [State and Local Governments, Publication 5817-E](#)
- [Tribal Governments, Publication 5817-F](#)
- [Rural Electric Cooperatives, Publication 5817-A](#)
- [Tax-Exempt Organizations, Publication 5817-D](#)
- [Clean Energy Tax Incentives: Elective Pay Eligible Tax Credits, Publication 5817-G](#)

Explore the Following Tools for Additional Support:

- [State of Minnesota Direct Pay Guide](#)
- [IRS Elective Pay & Transferability FAQ](#)
- [Support for Faith-Based Organizations – MNIPL](#)
- [Resources for Schools – UndauntedK12](#)
- [Lawyers for Good Government Resource Hub](#)
- [Video Guide: Direct Pay Overview \(Start at Minute 29\)](#)

Get Discounted Filing Help from Giraffe:

- giraffe.financial

Get Free Filing Help from Deloitte:

If you are interested in speaking with a Deloitte representative to consult on the filing process for Direct Pay, please [**complete this survey**](#) to provide information on your project to schedule your meeting.