

[4830-01-p]

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG-132569-17]

RIN 1545-BO40

Definition of Energy Property and Rules Applicable to the Energy Credit;

Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking; correction.

SUMMARY: This document corrects a notice of proposed rulemaking (REG-132569-17) published in the Federal Register on November 22, 2023, containing proposed regulations that would amend the regulations relating to the energy credit for the taxable year in which eligible energy property is placed in service.

DATES: The comment period for REG-132569-17 (88 FR 82188, November 22, 2023) is reopened, and additional written or electronic comments must be received by **[INSERT DATE 30 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: Commenters are strongly encouraged to submit public comments electronically. Submit electronic submissions via the Federal eRulemaking Portal at <https://www.regulations.gov> (indicate IRS and REG-132569-17). Once submitted to the Federal eRulemaking Portal, comments cannot be edited or withdrawn. The Department of the Treasury (Treasury Department) and the IRS will publish for public availability any comment submitted to its public docket.

Send paper submissions to: CC:PA:LPD:PR (REG-132569-17), Room 5203, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044.

FOR FURTHER INFORMATION CONTACT:

Concerning the proposed regulations, Office of Associate Chief Counsel (Passthroughs & Special Industries) at (202) 317–6853 (not a toll-free number); concerning submissions of comments, Vivian Hayes, (202) 317–6901 (not toll-free number) or by email to publichearings@irs.gov (preferred).

SUPPLEMENTARY INFORMATION:

Background

The notice of proposed rulemaking (REG-132569-17) that is the subject of this correction proposes regulations under section 48 of the Internal Revenue Code (Code) (Proposed Regulations) addressing the energy credit determined under section 48 for purposes of sections 38 and 46 of the Code. The Proposed Regulations address the treatment of certain gas upgrading equipment in a manner that warrants a correction.

Need for Correction

As published, the Proposed Regulations would exclude from the definition of “qualified biogas property” any “gas upgrading equipment necessary to concentrate the gas into the appropriate mixture for injection into a pipeline through removal of other gases such as carbon dioxide, nitrogen, or oxygen.” See proposed §1.48-9(e)(11)(i). Proposed §1.48-9(f)(1) would provide, however, that property owned by the taxpayer that is an integral part of an energy property (as defined in proposed §1.48-9(f)(3)) is treated as energy property. A correction is needed to clarify that gas upgrading equipment that is necessary to concentrate the gas from qualified biogas property into the appropriate mixture for injection into a pipeline through removal of other gases such as carbon dioxide, nitrogen, or oxygen, would be energy property if it is an integral part of an energy property as defined in proposed §1.48-9(f)(3).

Correction of Publication

Accordingly, the publication of the Proposed Regulations, which was the subject of FR Doc. 2023-25539, is corrected by revising the following sentence on page 82214, in the

second column and before the first full paragraph: “However, gas upgrading equipment necessary to concentrate the gas into the appropriate mixture for injection into a pipeline through removal of other gases such as carbon dioxide, nitrogen, or oxygen is not included in qualified biogas property.” This sentence should be revised to read as follows: “However, gas upgrading equipment necessary to concentrate the gas into the appropriate mixture for injection into a pipeline through removal of other gases such as carbon dioxide, nitrogen, or oxygen is not a functionally interdependent component (as defined in paragraph (f)(2)(ii) of this section) of qualified biogas property.”

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(Procedure and Administration).