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KPMG report: IRS extends tax credit timelines for renewable energy projects

New renewable energy facilities are eligible for certain tax credits if construction of the facilities proceeds according to timelines designated by the IRS.

The coronavirus (COVID-19) pandemic is causing construction delays for these facilities and, in response, the IRS recently issued a notice allowing taxpayers additional time to complete construction.

Notice 2020-41 extends the "Continuity Safe Harbor" for projects that began construction in either calendar year 2016 or 2017. Specifically, the IRS extended to five years the Continuity Safe Harbor for these projects. Thus, projects that began construction during calendar year 2016 have until the end of 2021 to be placed in service, and projects that began construction during calendar year 2017 have until the end of 2022.

Notice 2020-41 also provides a safe harbor for the "3½ Month Rule" for services or property paid for by the taxpayer on or after September 16, 2019, and provided by October 15, 2020.

Read a [June 2020 report](#) [PDF 72 KB] prepared by KPMG LLP: *What's News in Tax: IRS Extends Tax Credit Timelines for Renewable Energy Projects*

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