

that is purified to 99% purity.

WHEN DO THE TAX CREDITS PHASE OUT?

Tax Credit for Eligible U.S.-produced Components by Year Sold

2023-2029	2030	2031	2032	After 2032
Full 45X MPTC unit credit	75% of the full unit credit (e.g. PV Module: $75\% \times 7\text{¢}/W_{dc} = 5.25\text{¢}/W_{dc}$)	50% of the full unit credit	25% of the full unit credit	No credit

The phaseout does not apply to the production of critical minerals, which continue indefinitely.

Manufacturers can also monetize the tax credit through a direct payment from the Internal Revenue Service (IRS) in lieu of a credit against their taxes due, or opt to transfer the credit, as described below:

- **Direct pay option:** Manufacturers can receive a refund for 45X MPTC tax credits for the first five years they are claimed, though are still subject to the 2033 credit sunset. The five-year limitation does not apply if the manufacturer is a tax-exempt organization (i.e. non-profit), state, municipality, the Tennessee Valley Authority, Indian Tribal government, any Alaskan Native Corporation, or any rural electric cooperative. A penalty of 20% may apply where excess payments occur.[\[3\]](#)
- **Transfer of credit:** Manufacturers may also elect to transfer all, or a portion, of the tax credits for a given year to an unrelated eligible taxpayer. Payments for the credit must be made in cash and are not considered a taxable event (i.e. no taxes are owed on receiving the payment and no deduction is possible for making the payment). A penalty of 20% may apply where excess credits occur.[\[4\]](#)