|  |  |
| --- | --- |
| OFFICE OF APPRENTICESHIPBULLETIN | **NO.**2024-93 |
| **DATE**June 26, 2024 |

**TO:** NATIONAL APPRENTICESHIP SYSTEM STAKEHOLDERS

 OFFICE OF APPRENTICESHIP STAFF

 STATE APPRENTICESHIP AGENCIES

**FROM:** JOHN V. LADD /s/

 Administrator, Office of Apprenticeship

**SUBJECT:** Announcement of the Department of Treasury’s *Increased Credit or Deduction Amounts for Satisfying Certain Prevailing Wage and Registered Apprenticeship Requirements* Final Rule on the Inflation Reduction Act of 2022

1. **Purpose.** To inform the staff of the Office of Apprenticeship (OA), State Apprenticeship Agencies (SAAs), registered apprenticeship program sponsors, registered apprenticeship partners, and other interested parties of the apprenticeship provisions in the U.S. Department of Treasury’s (Treasury) *Increased Credit or Deduction Amounts for Satisfying Certain Prevailing Wage and Registered Apprenticeship Requirements* final rule(Treasury final rule), which sets forth the regulatory requirements for the prevailing wage and apprenticeship provisions of the Inflation Reduction Act of 2022 (IRA).
2. **Action Requested.** OA requests OA and SAA staff and registered apprenticeship stakeholders to familiarize themselves with the information contained in this bulletin, the registered apprenticeship requirements in the Treasury final rule, and the continued availability of resources at <https://www.apprenticeship.gov/inflation-reduction-act-apprenticeship-resources>. This bulletin is being sent via electronic mail.
3. **Summary and Background.**
4. Summary – On June 25, 2024, Treasury published a final rule, *Increased Credit or Deduction Amounts for Satisfying Certain Prevailing Wage and Registered Apprenticeship Requirements,* regarding increased credit or deduction amounts available for taxpayers satisfying prevailing wage and apprenticeship requirements established by the IRA.
	* 1. For additional information:
			1. The White House issued a Fact Sheet on the IRA, which is available here: <https://www.whitehouse.gov/briefing-room/statements-releases/2022/08/19/fact-sheet-the-inflation-reduction-act-supports-workers-and-families/>; and
			2. In addition, the White House has also issued the Fact Sheet on the IRA PWA requirements, *Biden-⁠Harris Administration Announces Historic Rules to Create Good-Paying, High-Quality Clean Energy Jobs*, which is available here:<https://www.whitehouse.gov/briefing-room/statements-releases/2024/06/18/fact-sheet-biden-harris-administration-announces-historic-rules-to-create-good-paying-high-quality-clean-energy-jobs/>.

*Note – This bulletin does not in any way replace or supersede the final rule issued by Treasury or the Internal Revenue Services (IRS) on these provisions. This bulletin is intended to support Treasury in its implementation of the IRA. To the extent that the information contained in this bulletin in any way conflicts with or is not current with the Treasury final rule on these provisions, Registered apprenticeship stakeholders must follow the Treasury final rule.*

1. Background – On August 16, 2022, President Biden signed Public Law 117-369, 136 Stat. 1818, commonly known as the Inflation Reduction Act of 2022, which amended §§ 30C, 45, 45Q, 45V, 45Y, 45Z, 48, 48C, 48E, and 179D of the Internal Revenue Code (Code) to add prevailing wage and apprenticeship requirements to qualify for increased credit or deduction amounts (<https://www.congress.gov/bill/117th-congress/house-bill/5376>).[[1]](#footnote-2) The IRA authorized Treasury to develop guidance or regulations necessary to carry out the prevailing wage and apprenticeship requirements.

On November 29, 2022, Treasury announced initial guidance on the IRA’s apprenticeship and prevailing wage requirements in [Notice 2022-61](https://www.federalregister.gov/documents/2022/11/30/2022-26108/prevailing-wage-and-apprenticeship-initial-guidance-under-section-45b6bii-and-other-substantially), *Prevailing Wage and Apprenticeship Initial Guidance under Section 45(b)(6)(B)(ii) and Other Substantially Similar Provisions*,to be published on November 30, 2022, which serves as the published guidance described under §§ 30C(g)(1)(C)(i), 45(b)(6)(B)(ii), 45Q(h)(2), 45V(e)(2)(A)(i), 45Y(a)(2)(B)(ii), 48(a)(9)(B)(ii), 48E(a)(2)(A)(ii)(II) and (a)(2)(B)(ii)(II), and 179D(b)(3)(B)(i) of the Code regarding the 60 day period described in such sections with respect to the prevailing wages and apprenticeship requirements. The prevailing wage and apprenticeship requirements contained in the guidance applied to qualifying facilities, projects, property, or equipment for which construction began on or after January 29, 2023.

On November 29, 2022, DOL launched a comprehensive website to provide stakeholders with critical information to navigate the prevailing wage and apprenticeship-related provisions of the IRA and to support Treasury’s implementation, (please visit: <https://www.dol.gov/general/inflation-reduction-act-tax-credit>). Additionally, OA has also launched a page on Apprenticeship.gov dedicated to providing registered apprenticeship stakeholders with the most up-to-date information, resources, and Frequently Asked Questions on the IRA implementation, please visit: <https://www.apprenticeship.gov/inflation-reduction-act-apprenticeship-resources>. This page will be updated as more information is available.

On August 29, 2023, Treasury released an NPRM, *Increased Credit or Deduction Amounts for Satisfying Certain Prevailing Wage and Registered Apprenticeship Requirements*, and Notice of Public Hearing that was published in the Federal Register on August 30, 2023. The Treasury NPRM contained proposed regulations regarding increased credit or deduction amounts available for taxpayers satisfying prevailing wage and registered apprenticeship (collectively, PWA) requirements established by the IRA.

1. **IRA PWA Final Rule.**
	1. On June 25, 2024, Treasury published the final rule, *Increased Credit or Deduction Amounts for Satisfying Certain Prevailing Wage and Registered Apprenticeship Requirements*, which sets forth the final regulations regarding increased credit or deduction amounts available for taxpayers satisfying PWA requirements established by the IRA. These final regulations affect taxpayers intending to satisfy the PWA requirements for increased Federal income tax credits or deductions, including those intending to make elective payment elections for available credit amounts, and those intending to transfer increased credit amounts. These final regulations also affect taxpayers intending to satisfy the prevailing wage requirements for increased Federal income tax credit amounts that do not have associated apprenticeship requirements. Additionally, these final regulations affect taxpayers who initially fail to satisfy the PWA or prevailing wage requirements and subsequently comply with the correction and penalty procedures in order to be deemed to satisfy the PWA or prevailing wage requirements. Finally, these final regulations address specific PWA and prevailing wage recordkeeping and reporting requirements.
	2. *Resources –* Please see the following sites for additional information:
		1. Treasury final rule: <https://www.federalregister.gov/documents/2024/06/25/2024-13331/increased-amounts-of-credit-or-deduction-for-satisfying-certain-prevailing-wage-and-registered>.
		2. IRS PWA Overview PDF: <https://www.irs.gov/pub/irs-pdf/p5855.pdf>.
		3. IRS PWA Fact Sheet PDF: <https://www.irs.gov/pub/irs-pdf/p5983.pdf>.
		4. IRS Frequently asked questions about the prevailing wage and apprenticeship under the Inflation Reduction Act (updated June 18, 2024): <https://www.irs.gov/credits-deductions/frequently-asked-questions-about-the-prevailing-wage-and-apprenticeship-under-the-inflation-reduction-act>.
		5. DOL IRA overview: <https://www.dol.gov/general/inflation-reduction-act-tax-credit>.
		6. Apprenticeship IRA resources: <https://www.apprenticeship.gov/inflation-reduction-act-apprenticeship-resources>.
		7. DOL Wage and Hour Division IRA resources: <https://www.dol.gov/agencies/whd/IRA>.

OA notes that there will be subsequent technical assistance made available and encourages stakeholders to visit [Inflation Reduction Act Apprenticeship Resources | Apprenticeship.gov](https://staging.apprenticeship.gov/inflation-reduction-act-apprenticeship-resources) for updates.

1. **Inquiries.** If you have any questions, please contact ApprenticeshipIRA@dol.gov.
2. **Attachments.** None.
1. The IRA also amended §§ 45L & 45U to add prevailing wage requirements to qualify for increased credit amounts. [↑](#footnote-ref-2)