

# Inflation Reduction Act

The Inflation Reduction Act (IRA) is an industrial, climate and trade policy created to stimulate U.S. rural manufacturing, generation and transmission of clean and renewable energy and products.

Border States is dedicated to helping you complete your supply chain compliance requirements and has a mission to facilitate a safe, ethical and legal supply chain. We collaborate with you and our suppliers to minimize risk, support compliance and maintain responsiveness to state, federal and international regulations.

The IRA includes many provisions, but sections of particular interest to our industry are Powering Affordable Clean Energy (PACE) and Empowering Rural America (New ERA) with the Domestic Content Bonus Credit rules in **Sections 45, 45Y, 48 and 48E** of the Internal Revenue Code.

Compliance with these requirements may involve information from manufacturers, which can be challenging for them to provide. Specifics include:

- Steel or iron content percentages
- Country of origin of components of the final product
- Direct material and labor costs to procure or manufacture each end product or component

Cost calculations must not include indirect costs, such as overheads and profit.

Working with your Account Manager as early as possible will increase success with navigating the rules and achieving all relevant incentives.

You can find more information about IRA PACE and New ERA requirements from the United States Department of Agriculture at [rd.usda.gov](https://www.rd.usda.gov) and information about the domestic content rules in the **Internal Revenue Code 26 CFR Subpart D – Business Related Credits**.

## Key takeaways

It is important to us that we support you in complying with IRA requirements. As you navigate these federal requirements, know that you can rely on Border States to help you minimize your risk, support compliance and maintain responsiveness to state, federal and international regulations.

## Questions?

If you have questions about Border States' compliance with IRA regulations, please contact [regulatoryaffairs@borderstates.com](mailto:regulatoryaffairs@borderstates.com).



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