



July 5, 2024

Inflation Reduction Act Prevailing Wage and Apprenticeship Requirements

The Treasury Department and Internal Revenue Service (IRS) [issued a final rule](#) interpreting the prevailing wage and apprenticeship (PWA) requirements related to increased credit or deduction amounts for certain clean energy incentives, enacted as part of the *Inflation Reduction Act* (IRA). As you may recall, NECA [lobbied for the inclusion of prevailing wage and apprenticeship requirements in the IRA in 2022](#). A fact sheet on the final rule from the White House is [available here](#) and a fact sheet on the final rule from the IRS is [available here](#).

The IRA provides increased credit or deduction amounts for taxpayers who satisfy certain PWA requirements regarding the construction, alteration, or repair of certain clean energy facilities or properties, projects, or equipment. By satisfying the PWA requirements, taxpayers can generally increase the base amount of the credit or deduction by five times. To qualify for the PWA increased credit or deduction amounts, taxpayers generally need to:

- (1) ensure that laborers and mechanics employed in the construction, alteration, or repair of the facility or property, project or equipment are paid wages at rates not less than applicable prevailing wage rates;
- (2) meet certain apprenticeship requirements, including, among others, ensuring that a minimum percentage of the total labor hours performed on a project are performed by qualified apprentices from a registered apprenticeship program and ensuring that any taxpayer that employs four or more individuals for a project must hire at least one qualified apprentice; and
- (3) meet specific recordkeeping requirements. The rule does, however, include statutory exceptions for meeting the prevailing wage and apprentice requirements.

In addition to publishing the final rule and associated fact sheets, Treasury, the IRS, and the Department of Labor (DOL) released additional resources, including:

- (1) a Treasury/DOL [blog post on Project Labor Agreements](#);
- (2) an IRS [overview of the PWA requirements](#);
- (3) an IRS [fact sheet on the PWA requirements](#);
- (4) a [frequently asked questions document](#) from the IRS;
- (5) a dedicated [IRA PWA page on the DOL website](#);
- (6) a dedicated [IRA apprenticeship page on the DOL website](#);
- (7) a DOL [PWA frequently asked questions site](#); and
- (8) a [Good Clean Energy Jobs Interactive Map](#) from DOL.



IRA Prevailing Wage and Apprenticeship

LABOR RELATIONS AND GOVERNMENT AFFIARS JOINT BULLETIN | FROM THE NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION

Previous guidance for JATC's to address non-union contractors seeking apprentices from a JATC was provided in 2023. NECA is working with the Electrical Training ALLIANCE to determine if any modification to that guidance is necessary. If additional guidance is determined, additional communication will follow directly to the appropriate recipients.

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