VERITAS
TAX CREDITS

EDUCATIONAL GUIDE FOR CORPORATE TAX TEAMS

A C Corporation Tax Team's Guide to Buying §48E Credits

How a C corporation evaluates, documents and reports a cash purchase of a transferable clean electricity investment credit under IRC §6418. Packaged from existing Veritas Tax Credits guides.

November 13, 2026 · veritastaxcredits.com
Veritas Tax Credits · 605 W 9th Street, Unit #4189, Austin, TX 78701 · (888) 328-4718
General information only. Not tax, legal or investment advice. Your CPA and counsel confirm fit. Veritas does not guarantee a price, discount, tax result, eligibility or close date, and does not offer or solicit investments.

Contents

1. How to use this guide
2. What a C corporation is buying
3. Size capacity under §38(c)
4. Widely held and closely held corporations
5. Estimated tax and year-end timing
6. Diligence, recapture and foreign-entity review
7. Term sheet, transfer agreement and cash payment
8. Transfer election statement and Form 3800
9. Accounting (ASC 740) and CAMT questions
10. Where to go next
11. Source appendix — official IRS and Treasury links
12. Disclaimer

Live, dated versions of these chapters: **https://veritastaxcredits.com/c-corporation-tax-team-guide-buying-48e-credits/** and the article at **https://veritastaxcredits.com/buy-48e-tax-credits-c-corporation/**. If a later site update and this PDF differ, use the live page and the current IRS instructions.

1. How to use this guide

This file is a circulating copy of education already published by Veritas Tax Credits. It is written for corporate tax directors, staff and outside CPAs who want one document to share internally before a quote conversation. It is not a transaction memo on a specific credit, a form agreement, or a filing position.

Read it with your CPA. Start with capacity and estimated-tax timing, then diligence and reporting. Official statutes, regulations, forms and notices are listed in the source appendix and on our official resource hub:

https://veritastaxcredits.com/official-irs-treasury-resources-tax-credit-buyers/

> **What this guide does not do.** It does not quote a market price, promise a discount to face value, determine that your corporation can use a credit, or estimate how many days a purchase will take to close. Those questions depend on the credit, the contract, your return and your advisors.

2. What a C corporation is buying

A C corporation with federal income tax can buy eligible credits under IRC §6418 and apply them against regular tax, subject to the §38(c) general business credit limit. The buyer pays cash to an unrelated seller. The credit may be transferred only once. The buyer claims the credit as a general business credit, typically on Form 3800, with the IRS registration number and a transfer election statement.

Many corporate buyers start with the §48E clean electricity investment credit. The credit is determined once, for a single tax year, on qualifying facilities and energy storage technology placed in service after December 31, 2024. The statutory base rate is 6%, or 30% if prevailing wage and apprenticeship requirements are met (or the facility is under 1 MW), plus possible bonuses. Confirm current rates, bonuses and any wind or solar deadline that applies to the project with counsel.

§48E is not the only transferable credit, and it is not automatically the right credit for every buyer. Comparisons with other transferable credits, and the reasons many mid-market buyers still start with §48E, are on the live site. A purchased credit is not an ownership interest in the project, not a tax-equity partnership, and not an investment product Veritas is offering or soliciting.

Primary live pages: https://veritastaxcredits.com/buy-48e-tax-credits-c-corporation/ and https://veritastaxcredits.com/buy-48e-tax-credits/

3. Size capacity under §38(c)

Purchased credits are general business credits. Under §38(c), the amount you can use in a year is generally your net income tax minus the greater of tentative minimum tax or 25% of net regular tax above $25,000. When tentative minimum tax is zero, that relationship is roughly 75% of net regular tax plus $6,250. Subtract credits you will already claim (for example, the research credit) before you size a purchase.

Unused general business credit may be carried back or forward under §39, subject to the rules that apply to the credit and the year. A credit larger than one year's capacity is not automatically a fit, and sellers may also have a minimum block they will transfer. Have your CPA run the computation on the corporation's forecast, not on an illustrative website calculator alone.

Live page: https://veritastaxcredits.com/section-38c-general-business-credit-limit/

4. Widely held and closely held corporations

A widely held C corporation is generally not subject to the §469 passive activity rules, so the individual-level limit that confines a purchased credit to tax on net passive income does not apply in the same way. §38(c) still does.

A closely held C corporation (other than a personal service corporation) may be able to apply purchased credits against tax on net active income under §469(e)(2), computed on Form 8810. A personal service corporation is tested differently. This is not advice to change entity classification. Confirm status and the Form 8810 computation with your CPA before you treat capacity as if you were a widely held C corporation.

Live pages: https://veritastaxcredits.com/closely-held-c-corporation-passive-activity-rules/ and https://veritastaxcredits.com/form-8582-cr-and-form-8810-tax-credit-buyers/

5. Estimated tax and year-end timing

The IRS transferability FAQs discuss how a taxpayer may consider credits that have been purchased, or that the taxpayer intends to purchase, when computing estimated tax. That can matter for a C corporation's §6655 installments and Form 2220, including the December 15 payment for a calendar-year corporation. It is a facts-and-circumstances computation for your CPA, not a reason to skip later return reporting, and not a promise that any particular installment will be reduced.

Year-end work usually includes: locking the tax-year and capacity figure, leaving time for diligence and counsel review, confirming the registration number plan, and aligning estimated payments with what has actually been purchased or is reasonably intended. Fiscal-year corporations should map the same steps to their own estimated-tax calendar.

Live pages: https://veritastaxcredits.com/estimated-tax-payments-transferable-credits-c-corporations/ and https://veritastaxcredits.com/year-end-tax-credit-planning-c-corporations/

6. Diligence, recapture and foreign-entity review

A buyer who purchases a §48E credit claims it on the buyer's own return and bears disallowance and recapture risk unless the contract and, if used, insurance allocate that risk. Diligence is how tax teams and counsel test the file before signing.

Typical items include: the IRS registration number (or a clear plan to obtain it), placed-in-service evidence, prevailing-wage and apprenticeship support if the 30% rate is claimed, bonus-credit support, credit calculation workpapers, and the seller's prohibited-foreign-entity / material-assistance file where those rules apply. Wind and solar projects also need beginning-of-construction or placed-in-service proof against current statutory deadlines.

§48E investment-credit recapture generally runs for five years and steps down 20 percentage points a year. The §6418 regulations include excessive-credit-transfer and recapture-notification rules that can affect the transferee. Build notification and remedies into the agreement; do not invent them at filing time.

Notice 2026-15 status (as of November 13, 2026). Notice 2026-15 is interim IRS and Treasury guidance on material assistance from a prohibited foreign entity. The Code directs the Secretary to issue PFE safe-harbor tables no later than December 31, 2026. As of this review we have not seen those tables published. Until they are issued—and, for a qualified facility or energy storage technology, for construction that begins on or before 60 days after they are issued—the notice describes interim safe harbors, including specified use of tables in Notice 2025-08 and supplier certifications. Recheck the IRS releases before you close. This is not a determination that any project qualifies.

Live pages: https://veritastaxcredits.com/48e-due-diligence-checklist-and-recapture/ and https://veritastaxcredits.com/prohibited-foreign-entity-feoc-risk-tax-credit-buyers/

7. Term sheet, transfer agreement and cash payment

Many deals use a short term sheet before the purchase agreement is drafted. A term sheet is not the contract and is not the IRS election. Indicative dates are targets, not a promised close.

The private transfer agreement sets price, payment mechanics, representations, closing conditions, indemnity, any insurance, and what happens if the credit is later reduced or recaptured. Under §6418, consideration must be cash, the buyer must be unrelated to the seller, and the credit cannot be transferred again. Those statutory rules are not a complete contract. Have qualified counsel review the document. Veritas does not sell insurance and does not represent that any policy will pay.

The cash price paid to buy the credit is not deductible, and the difference between face value and the cash price is not gross income to the buyer solely because of that discount. Payment timing (signing, delivery of a registration number, or escrow) is a commercial term. Veritas does not promise a close date.

Live pages: https://veritastaxcredits.com/how-a-48e-tax-credit-purchase-closes/, https://veritastaxcredits.com/48e-transfer-agreement-key-terms/, and https://veritastaxcredits.com/48e-indemnity-and-insurance-terms/

8. Transfer election statement and Form 3800

Both the transferor and the transferee generally attach a transfer election statement to the return for the year of the transfer. That statement can be Schedule A (Form 3800), signed by both parties, or another document that contains the information the regulations require. The registration number belongs on that statement and on Form 3800.

The seller and the buyer each report the transfer on Form 3800, Part III, column (f): the seller as a negative amount and the buyer as a positive amount, with the registration number. Closely held buyers apply Form 8810 first where it applies, then the §38(c) limit, and then any ordering issues if the company also has self-generated credits. Use the instructions for the year you file.

Live page: https://veritastaxcredits.com/form-3800-transfer-election-statement-reporting-guide/

9. Accounting (ASC 740) and CAMT questions

Talk to your auditors early about how the purchase will be presented under ASC 740, including the cash price, any difference from face value, and how the five-year recapture exposure is described. Accounting treatment is an auditor-and-management judgment; this guide does not prescribe a journal entry.

Large applicable corporations may also need to model the 15% corporate alternative minimum tax. Whether and how a purchased §48E credit interacts with CAMT is a facts-and-counsel question, including the §38(c) limit and adjusted financial statement income. If CAMT may apply to you, read the live CAMT page with tax counsel before you treat regular-tax capacity as the whole story.

Live pages: https://veritastaxcredits.com/asc-740-accounting-purchased-tax-credits/ and https://veritastaxcredits.com/camt-and-purchased-48e-tax-credits/

10. Where to go next

1. Have your CPA complete a capacity and estimated-tax computation for the tax year.
2. Read the close-process walkthrough (stages, not a timetable): https://veritastaxcredits.com/how-a-48e-tax-credit-purchase-closes/
3. Open current official sources from the appendix or https://veritastaxcredits.com/official-irs-treasury-resources-tax-credit-buyers/
4. If you want to look at inventory, request a no-obligation quote at https://veritastaxcredits.com/contact/ or call (888) 328-4718. A quote is not a reserved credit, a close, or a determination that you can use the credit. Confirm fit with your CPA and counsel before you commit.

11. Source appendix — official IRS and Treasury links

Checked with a standard browser user-agent on November 13, 2026. Each of the following returned HTTP 200 that day. Official sites move; confirm the current file before you file a return. Cornell LII links are unofficial editions of the U.S. Code (the uscode.house.gov views we tested for §6418 and §48E returned 404).

Source	URL
26 U.S.C. §6418 (Cornell LII)	https://www.law.cornell.edu/uscode/text/26/6418
T.D. 9993, final §6418 regulations (Federal Register, Apr. 30, 2024)	https://www.federalregister.gov/documents/2024/04/30/2024-08926/transfer-of-certain-credits
26 CFR §§1.6418-1 through 1.6418-5 (eCFR)	https://www.ecfr.gov/current/title-26/section-1.6418-1
IRS: Elective pay and transferability FAQs (Transferability)	https://www.irs.gov/credits-deductions/elective-pay-and-transferability-frequently-asked-questions-transferability
IRS: Clean Electricity Investment Credit (§48E)	https://www.irs.gov/credits-deductions/clean-electricity-investment-credit
26 U.S.C. §48E (Cornell LII)	https://www.law.cornell.edu/uscode/text/26/48E
Federal Register: final §45Y / §48E regulations (Jan. 15, 2025)	https://www.federalregister.gov/documents/2025/01/15/2025-00196/section-45y-clean-electricity-production-credit-and-section-48e-clean-electricity-investment-credit
IRS: Register for elective payment or transfer of credits	https://www.irs.gov/credits-deductions/register-for-elective-payment-or-transfer-of-credits
IRS Publication 5884, Pre-Filing Registration User Guide	https://www.irs.gov/pub/irs-pdf/p5884.pdf
Instructions for Form 3800 and Schedule A	https://www.irs.gov/instructions/i3800
About Form 3468 / Instructions for Form 3468	https://www.irs.gov/forms-pubs/about-form-3468
About Form 8810 / Instructions for Form 8810	https://www.irs.gov/forms-pubs/about-form-8810
About Form 2220 / Instructions for Form 2220	https://www.irs.gov/forms-pubs/about-form-2220
26 U.S.C. §38 (Cornell LII)	https://www.law.cornell.edu/uscode/text/26/38
26 U.S.C. §50 (Cornell LII)	https://www.law.cornell.edu/uscode/text/26/50
P.L. 119-21 enrolled PDF (GovInfo)	https://www.govinfo.gov/content/pkg/PLAW-119publ21/pdf/PLAW-119publ21.pdf
IRS Notice 2026-15 (PDF) and IR-2026-23	https://www.irs.gov/pub/irs-drop/n-26-15.pdf
IRS Notice 2025-08 (PDF)	https://www.irs.gov/pub/irs-drop/n-25-08.pdf

Source	URL
IRS Notice 2025-42 (PDF)	https://www.irs.gov/pub/irs-drop/n-25-42.pdf

12. Disclaimer

This guide is educational information published by Veritas Tax Credits, 605 W 9th Street, Unit #4189, Austin, TX 78701. Telephone (888) 328-4718. Website: https://veritastaxcredits.com. LinkedIn: https://www.linkedin.com/company/veritastaxcredits.

It is not tax, legal, accounting or investment advice, and it is not an offer to sell or a solicitation of an offer to buy any security, project interest or investment. Credits discussed here are purchased for cash from third-party sellers under IRC §6418. Veritas does not guarantee a discount, a savings amount, eligibility, insurance coverage or a close date. Rules and forms change. Confirm every position with your CPA and qualified counsel before you act. See https://veritastaxcredits.com/disclaimer/ and https://veritastaxcredits.com/editorial-policy/.

© 2026 Veritas Tax Credits. Packaged November 13, 2026 from existing educational pages. Updates: https://veritastaxcredits.com/c-corporation-tax-team-guide-buying-48e-credits/