



DOES MY PURCHASE FROM ONYX POWER QUALIFY FOR THE FEDERAL INVESTMENT TAX CREDIT?

While you should always consult with a tax professional to make sure the purchase is eligible and that it is claimed properly, the short answer is: **YES.**

In 2022, the U.S. Congress passed the [Inflation Reduction Act](#) ("IRA") which created a robust suite of tax incentives aimed at accelerating the deployment of renewable and zero-emissions technology in the United States. Not only did the IRA restore the solar Investment Tax Credit ("ITC") to its full value of 30%, it also created, for the first time ever, an ITC specifically for stand-alone battery energy storage products. Accordingly, **ONYX's products are now eligible for Federal Investment Tax Credits and these can be claimed by for-profit and not-for-profit entities as well as residential customers.**

FOR-PROFIT AND NOT-FOR-PROFIT ENTITIES: ELIGIBILITY UNDER 26 US CODE SECTION 48

All of ONYX's products qualify "energy property" under [26 USC §48\(a\)\(3\)\(A\)](#). ONYX's products currently include: the Rhino (mobile battery power system), the Manta (mobile solar power system), and X-Pack (mobile battery expansion pack). The Manta uses solar energy to generate electricity¹ while the Rhino and the X-Pack are each energy storage technologies² in excess of 5kWh³. Additionally, if you perform any construction or reconstruction of your property in connection with the use of ONYX's products, this may also qualify as "energy property" under 26 USC §48(a)(3)(B)(i)⁴.

All "energy property" purchased by business customers qualifies for a 6% tax credit under 26 USC §48(a)(2)(A)(i); however, because ONYX's products have maximum outputs less than 1MW⁵, the Rhino and Manta qualify for the 5x multiplier defined in 26 USC §48(a)(9)(A)(i). This allows Rhino and Manta purchases made from ONYX with a total power output of less than 1MW (equivalent of 250 Rhinos or 100 Mantas) qualifies for the 30% Federal Investment Tax Credit.

ONYX manufactures its products in Southern California and that allows ONYX's products to be eligible for the domestic content bonus 10% Federal Investment Tax Credit under 26 USC §48(a)(12)(C)(ii) since more than 40% of our customers' cost is attributable to goods that are produced or manufactured in the United States⁶. **That's a 40% investment tax credit on any ONYX product purchased by our for-profit and not-for-profit customers.**

¹ 26 USC §48(a)(3)(A)(i)

² 26 USC §48(a)(3)(A)(ix)

³ 26 USC §48(c)(6)(A)(i)

⁴ Consult a tax professional to determine eligibility.

⁵ 26 USC §48(a)(9)(B)(i)

⁶ 26 USC §48(a)(12)(B) and 26 USC §45(b)(9)(B)(iii)



HOW FOR-PROFIT AND NOT-FOR-PROFIT PURCHASERS BENEFIT FROM 26 USC §48

Item	Eligible Tax Credit
Rhino	40%
Manta or X-Pack	N/A (not solely eligible)
Rhino + Manta and/or X-Pack	40%

If your organization is tax-exempt or a not-for-profit, the IRA also benefits you. The Treasury Department and Internal Revenue Service (IRS) plans to release details and guidance in 2023 for how tax-exempt organizations can apply for a direct-reimbursement rebate including the estimated repayment timeline. Until that guidance is released, expect to pay for full cost upfront and receive the direct payment at a later date.

RESIDENTIAL CUSTOMERS: ELIGIBILITY UNDER 26 US CODE SECTION 25D

Individual homeowners are allowed to claim a tax credit against the purchase of qualified solar electric property expenditures and qualified battery storage technology expenditures that are installed in connection with a residence located in the United States⁷ under [26 USC §25D](#). Because ONYX's products are portable and because installations must be made "in connection with a dwelling", ONYX recommends that homeowners work with a licensed electrician to install a dedicated load panel, transfer switch, and/or interconnect breaker (or similar) to enable safe back-up power via ONYX's products in a manner that is allowed by your local building code and utility. The labor costs associated with these installations may also be eligible for a tax credit under 26 USC §25D(e)(1).

Residential customers may claim a 30% tax credit on eligible purchases made before January 1, 2033⁸, with the tax credit phasing down 4% each year for the following two years before sunseting completely⁹.

HOW RESIDENTIAL PURCHASERS BENEFIT FROM 26 USC §25D

Item	"Price" after ITC
Rhino	30%
Manta or X-Pack	N/A (not solely eligible)
Rhino + Manta and/or X-Pack	30%

DISCLAIMER

ONYX does not provide tax advice or services and this document is for informational purposes only. Customers should consult their tax professional to confirm eligibility.

⁷ 26 USC §25D(d)(2) and 26 USC §25D(d)(6)(A)

⁸ 26 USC §25D(g)(3)

⁹ 26 USC §25D(g)(4) and (5)