Transferable Tax Credits After the OBBBA: Due Diligence and Risk Mitigation

Jack Miles, Andrew H. Lee

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Partners Jack Miles and Andrew Lee authored the article, “Transferable Tax Credits After the OBBBA: Due Diligence and Risk Mitigation,” which was published by *Tax Notes Federal*.

The article examines the due diligence and risk mitigation considerations for purchasers of transferable federal energy tax credits following enactment of the One Big Beautiful Bill Act (OBBBA). It explains the key tax risks associated with purchasing transferable credits under section 6418, including recapture, prevailing wage and apprenticeship compliance, foreign entity restrictions, and excessive credit transfer exposure, while outlining practical protections such as robust due diligence, representations and warranties, indemnities, audit cooperation provisions, and tax insurance.

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