



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

OFFICE OF THE CHIEF COUNSEL

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Jenny French

Dear Ms. French:

This letter responds to your request for information in a letter dated September 30, 2009. You stated that your company, SUNRNR of Virginia, Inc., manufactures portable renewable energy generators. You requested information concerning the residential energy efficient property credit and the Treasury grant under section 1603 of the American Recovery and Reinvestment Act of 2009. This letter describes well-established interpretations and principles of tax law without applying them to a specific set of facts. It is advisory only and has no binding effect with the Internal Revenue Service. This letter is intended only to provide general guidance for determining how to comply with applicable law.

The law provides a personal tax credit under section 25D of the Internal Revenue Code (Code) for purchasing and installing certain qualified residential energy efficient property. (See enclosed section 25D.) Qualified residential energy efficient property includes, among others, qualified solar electric property and qualified solar water heating property. A qualified solar electric property is a property which uses solar energy to generate electricity for use in a home located in the United States and used as a residence by the taxpayer. A qualified solar water heating property is a property to heat water for use in a home located in the United States and used as a residence by the taxpayer if at least half of the energy used by such property for such purpose is derived from the sun. Additionally, qualified solar water heating property must be certified for performance by the non-profit Solar Rating Certification Corporation or a comparable entity endorsed by the government of the state where the property is installed. If a product qualifies for the credit, a manufacturer has the option of providing a certification statement to customers in which the manufacturer certifies that its product meets the requirements of section 25D. (See enclosed Notice 2009-41 for certification process procedures.)

The residential energy efficient property tax credit is equal to 30 percent of the qualified expenditures made by the taxpayer during a taxable year. There is not a cap on the amount of credit available. The credit does not apply to property placed in service after December 31, 2016.