

Subject: FW: solar energy tax credits
Date: Monday, August 5, 2019 at 1:15:57 PM Eastern Daylight Time
From: Don Carrington
To: Rick Henderson
Attachments: image001.png, image002.png

From: Schorr Johnson <schorr.johnson@ncdor.gov>
Date: Monday, August 5, 2019 at 1:13 PM
To: Don Carrington <carrington@carolinajournal.com>
Subject: RE: solar energy tax credits

Don,

The NC Department of Revenue cannot comment on or confirm any audit activity or taxpayer information.

The Department supports renewable energy and historic preservation tax credits as allowed by the law. The renewable energy credits you're referencing have expired and were not renewed by the General Assembly. Determining whether state credits for projects completed before the credit expiration date does not have an impact on new solar investment (which still may qualify for federal tax credits).

In September 2018, in response to taxpayer inquiries about claiming tax credits involving "a partnership," the NCDOR issued this notice, which was intended as a reminder and general guidance for taxpayers and not a new interpretation:

https://files.nc.gov/ncdor/documents/files/tax_credits_important_notice_1.pdf

The notice basically re-states the NCDOR position from a Private Letter Ruling from August 13, 2013 (which is published on the NCDOR website)

<https://files.nc.gov/ncdor/documents/written-determinations/CPLR%25202013-09R%2520redacted.pdf>

"[Taxpayer question] A federal determination that a person is not classified as a partner for federal income tax purposes does not impact the determination of whether that same person is classified as a partner for North Carolina income, franchise or premium tax credit purposes absent a separate, independent, and express ruling by a court or state jurisdiction in the state of North Carolina.

Department's Response: We disagree. North Carolina General Statutes reference the Internal Revenue Code which means the federal determination of a 'partner' is applicable for North Carolina income tax purposes except when there is a North Carolina General Statute that specifically addresses the topic. In such case, the North Carolina statute would supersede the Internal Revenue Code."

Thanks,
Schorr Johnson
Director of Public Affairs
North Carolina Department of Revenue
501 N. Wilmington Street, Room 624
Raleigh, North Carolina 27604

919-814-1010 Office



From: Don Carrington <carrington@carolinajournal.com>
Sent: Thursday, August 01, 2019 4:26 PM
To: Schorr Johnson <schorr.johnson@ncdor.gov>
Subject: solar energy tax credits

Schorr,

Please see attached and respond to these questions:

Is this piece by Ray Starling accurate?

What is the department's estimate of the total value of the disallowed credits?
(one attorney for a client affected by this situation told me it is \$500 million)

Who at DOR is responsible for this change in interpretation?

Anything else you can offer would be appreciated. Need your response by noon tomorrow. Thanks.

Don

--

DON CARRINGTON

Executive Editor



OFFICE: 919-828-3876

FAX: 919-821-5117

MOBILE: 919-931-5634

www.carolinajournal.com

E-Mail correspondence to and from this sender may be subject to the North Carolina Public Records Law, and may be disclosed to third parties.

E-Mail correspondence to and from this sender may be subject to the North Carolina Public Records Law, and may be disclosed to third parties.
