

REQUEST FOR RECORDS DISPOSITION AUTHORITY		JOB NUMBER N1-058-09-8	
TO: NATIONAL ARCHIVES & RECORDS ADMINISTRATION 8601 ADELPHI ROAD COLLEGE PARK, MD 20740-6001		Date received 1/14/08	
1. FROM (Agency or establishment) Department of the Treasury		NOTIFICATION TO AGENCY In accordance with the provisions of 44 U.S.C. 3303a, the disposition request, including amendments, is approved except for items that may be marked "disposition not approved" or "withdrawn" in column 10.	
2. MAJOR SUBDIVISION Internal Revenue Service			
3. MINOR SUBDIVISION Large and Mid-Sized Business (LMSB) Natural Resources and Construction (NRC)			
4. NAME OF PERSON WITH WHOM TO CONFER Tracee Taylor (RM) Executive Assistant (NRC)	5. TELEPHONE NUMBER (202) 283-9291 (713) 209-3615	DATE 4/15/09	ARCHIVIST OF THE UNITED STATES <i>Adrienne Thomas</i>
6. AGENCY CERTIFICATION I hereby certify that I am authorized to act for this agency in matters pertaining to the disposition of its records and that the records proposed for disposal on the attached <u> 4 </u> page(s) are not needed now for the business for this agency or will not be needed after the retention periods specified; and that written concurrence from the General Accounting Office, under the provisions of Title 8 of the GAO Manual for Guidance of Federal Agencies, <input checked="" type="checkbox"/> is not required <input type="checkbox"/> is attached; or <input type="checkbox"/> has been requested.			
DATE 1/7/2009	SIGNATURE OF AGENCY REPRESENTATIVE <i>[Signature]</i> Daniel W. Bennett IRS Records Officer		TITLE IRS Records Officer National Office, OS:A:RE:L Washington, DC 20224
7. ITEM NO.	8. DESCRIPTION OF ITEM AND PROPOSED DISPOSITION IRM 1.15.26, Tax Administration – International (LMSB) IRS Updates: Item 44, Reserved for International Passport Office Program (IPOP, N1-58-07-10) <u>New Item 45, IRC Sections 48 A&B Tax Credit Applications</u> See attached.	9. GRS OR SUPERSEDED JOB CITATION	10. ACTION TAKEN (NARA USE ONLY)

Background:

Government and industry have increasingly supported research and development (R&D) on coal gasification, Integrated Gasification Combined Cycle (IGCC) technology, and associated carbon capture and storage (CCS) methods. As a result of these joint efforts, the application of IGCC and CCS to electric power generation and related energy markets is at the beginning of commercial deployment. The interest is due in part to evolving energy policy goals that encourage the use of advanced fossil energy supply technologies to enhance fuel diversity, domestic energy security and efficient utilization of resources.

Federal energy policy towards IGCC is most recently and clearly established in the Energy Policy Act of 2005 (EPA05, Pub.L. 109-58, 119 Stat. 594 signed into law August 8, 2005). This statute authorizes continued R&D support and strengthens financial incentives to enhance competitiveness of IGCC/CCS projects and encourages use of a broad range of coal types, project locations, and plant designs. In addition, it encourages the use of alternative energy sources using gasification technology.

Under the Internal Revenue Code (IRC), an investment tax credit provides a taxpaying entity with a credit against regular income tax.

IRS Notice 2006-24 establishes the qualifying advanced coal project program under Section 48A(d) of the IRC (hereafter referred to simply as §48A).

IRS Notice 2006-25 establishes the qualifying gasification project program under §48B(d) of the IRC (hereafter referred to simply as §48B).

IRS Notice 2007-52 and 2007-53 update the procedures contained in Notice 2006-24 and Notice 2006-25, prospectively.

§1307 of EPA05 authorized \$1.65 billion in tax credits for clean coal projects as follows:

§48A: \$800 million for IGCC, to be allocated in equal amounts for projects that use bituminous coal, sub bituminous coal, and lignite; and \$500 million for advanced combustion using any type of coal.

§48B: \$350 million for non-electricity generation gasification projects.

IRS tax credit awards under §48A and §48B begin with the U.S. Department of Energy (DOE). DOE certifies projects in each pool and ranks those projects in priority order. IRS only considers and allocates credits to a project if DOE provides a certification of feasibility and consistency with energy policy goals ("DOE certification") for the project. Accordingly, for each qualifying project, a taxpayer must submit: (1) an application for certification by the DOE, and (2) an application for certification under §48A or §48B by IRS.

For each allocation round there is an annual application period during which a taxpayer may file its §48A/§48B certification application. IRS only considers a project if the application is submitted during the application period for that round and DOE provides its certification for the project before the end of the application period.

60 days after which an application for §48A/§48B certification is submitted, IRS accepts or rejects the taxpayer's application and notifies the taxpayer by letter of its decision.

If IRS accepts the taxpayer's application for §48A/§48B certification, the acceptance letter will state the amount of the credit allocated to the project. The taxpayer is then required to execute a closing agreement and return the closing agreement to IRS within certain timeframes as provided in the Notices. IRS executes and returns the closing agreement to the taxpayer by the date stated in the Notice for the respective allocation round.

Within two years from the date that IRS accepts the taxpayer's application for §48A certification, the taxpayer must submit to IRS signed and dated documentation establishing that certain requirements have been satisfied. This only applies to applications for Sec. 48A certifications. For example, a project is eligible for certification only if the taxpayer has received all federal and state environmental authorizations or reviews necessary to commence construction of the project. IRS then notifies the taxpayer whether or not it has decided to certify the project. If the decision is to certify, the date of this

letter is the date of the certification issuance.

A taxpayer that receives certification under §48A has five years from the date of issuance of the certification to place the project in service. The certification is void if the project is not placed in service by the end of that five-year period. A taxpayer that receives certification under §48B has seven years from the date of the acceptance letter before the certification is void.

A taxpayer has no rights to appeal the DOE application decision, or the decisions regarding §48A/§48B certification or the amount of credit allocated to the project.

IRM 1.15.26, New Item 45

IRC Sections 48 A&B Tax Credit Applications

Description:

Applications for IRS tax credits for commercial deployment of ready clean coal technologies under IRC Sections 48A and 48B. Each application package includes a completed application for DOE certification of the project, DOE certification/ranking document, and IRC Sections 48A and 48B acceptance/rejection letters and closing agreements. Information includes taxpayer and contact person identification, a project description with an estimated total cost and the amount of credit requested, and other documentation or evidence of project viability.

Disposition:

- a. IRS-rejected applications
 - Cut off** at end of processing year.
 - Maintain** in office.
 - Destroy** 7 years after cutoff.

- b. IRS-accepted applications
 - Cut off** at end of processing year in which the deadline occurs for placing project in service.
 - Retire** to Records Center after cutoff.
 - Destroy** 75 years after cutoff.