



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

OFFICE OF
CHIEF COUNSEL

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The Honorable Dave Camp
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Camp:

I am responding to your letter of October 6, 2006, to the Commissioner of Internal Revenue about tax credits under the Qualifying Advanced Coal Project Program of the Energy Policy Act of 2005 (EPACT).

The tax credits are available under section 48A of the Internal Revenue Code (the Code), which the Congress enacted as part of EPACT. Under section 48A of the Code, the Secretary of the Treasury, in consultation with the Secretary of Energy, must establish a qualifying advanced coal project program for the deployment of advanced coal-based generation technologies. On March 13, 2006, we published Notice 2006-24, which established the qualifying advanced coal project program. I am enclosing a copy of this notice.

We will consider a project under the qualifying advanced coal project program only if the U.S. Department of Energy (DOE) certifies the project for feasibility and consistency with energy policy goals. See section 4.01 of Notice 2006-24. The evaluation criteria the DOE will use is provided in Appendix B of Notice 2006-24 and includes the use of the by-products produced by the project. If the DOE certifies a project, we will allocate the tax credits according to the procedures in section 4 of the notice. I assure you we will carefully consider all applications according to these requirements.

I hope this information is helpful. If you have any questions, please contact me at () or at () .

Sincerely,
William P. O'Shea
William P. O'Shea
Associate Chief Counsel
(Passthroughs and Special Industries)

Enclosure