



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

OFFICE OF THE CHIEF COUNSEL

November 25, 2009

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CC:PSI:B06
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UIL: 48.00-00

Dear _____ :

I apologize for the delay in responding to your letter dated May 11, 2009. You wrote to state your concern about the limits on the definition of solar illumination property in section 48 of the Internal Revenue Code.

The law provides a tax credit for certain energy property placed in service during a taxable year. Energy property is defined to include equipment that uses solar energy to illuminate the inside of a structure using fiber-optic distributed sunlight for property placed in service in taxable years ending before January 1, 2017.

You are concerned that the effective development of exciting new solar applications will be inhibited because the credit for equipment that illuminates the inside of a structure is limited to equipment that uses fiber-optic distributed sunlight. You believe that the law should use a more neutral term that would include core solar harvesting technology rather than any one specific distribution method. However, because the statute requires fiber-optic distribution in order for a taxpayer to be eligible for a tax credit for property that uses solar energy to illuminate the inside of a structure, the Congress would have to amend the law for this credit to be available for a broader range of illumination property.

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. It is intended for informational purposes only and does not constitute a ruling. See Rev. Proc. 2009-1, §2.04, 2009-1 I.R.B. 1 (Jan. 5, 2009).

I hope this information is helpful. If you have any further questions on this matter, please contact _____ or me at _____ for assistance.

Sincerely,

Charles B. Ramsey
Chief, Branch 6
Office of Associate Chief Counsel
(Passthroughs & Special Industries)