



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

OFFICE OF THE CHIEF COUNSEL

November 25, 2009

Number: **INFO 2009-0239**
Release Date: 12/31/2009

CC:PSI:B06
CONEX-149199-09

UIL: 25C.00-00

Dear _____ :

I apologize for the delay in responding to your email dated April 28, 2009, concerning the tax credit for energy efficient biomass stoves. In your email, you requested information about guidelines for determining which biomass stoves meet the efficiency standards required to qualify for a tax credit. You also requested information about the responsibilities of manufacturers who certify that stoves are eligible for a tax credit.

The law provides a tax credit for a stove that burns biomass fuel to heat a home or to heat water for use in a home. Qualified biomass fuel includes any plant-derived fuel available on a renewable or recurring basis, including agricultural crops and trees, wood and wood waste and residues (including wood pellets), plants (including aquatic plants), grasses, residues, and fibers. The stove must have a thermal efficiency rating of at least 75 percent, as measured using a lower heating value.

Because of the difficulty taxpayers would face in determining whether the statutory efficiency standards are satisfied for property they purchase, manufacturers are allowed to certify that products such as biomass stoves satisfy the required efficiency standards. (See section 6 of enclosed Notice 2009-53 for information on manufacturer's certification procedure.) The manufacturer must prepare the certification statement based on tests actually conducted by or for the manufacturer to determine the thermal efficiency of the stove. The manufacturer is responsible for ensuring that the stove is tested in accordance with a reasonable test method. The manufacturer must maintain documents in its records establishing that the biomass stove satisfies the required efficiency rating. Also, the manufacturer must, upon request, make such documentation available for inspection by the Internal Revenue Service.

The Internal Revenue Service, in Notice 2009-53, provides that taxpayers may rely on a manufacturer's certification statement when claiming a tax credit for a particular qualifying stove. The Internal Revenue Service does not anticipate any additional guidance on the tax credit for biomass stoves.

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)

Enclosure