



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

OFFICE OF THE CHIEF COUNSEL

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Dear _____ :

Senator Harry Reid wrote to us on your behalf and asked me to respond to you directly about the income tax treatment of the purchase of solar window screens. You asked why a manufacturer stated that taxpayers will be eligible for the tax credit for the purchase of solar window screens for use in some states, but did not include _____. I hope the following general information is helpful.

To qualify for the tax credit as an insulation material or system, a product must be specifically and primarily designed to reduce the heat loss or gain of a home when installed in or on the home. The law also requires that the insulation material or system meet the prescriptive criteria that the 2009 International Energy Conservation Code (IECC) established. The IECC standard for some building envelope components varies according to the climate zone where the taxpayer will install a component. For example, the IECC requires, for windows and doors, a smaller coefficient of heat transmission in colder climate zones. Thus, the law does not establish one standard that applies to all states.

I do not know the basis of the manufacturer's statement that excluded solar screens purchased for use in _____. One possibility is that the IECC standard that the manufacturer applied is different for the climate zone that includes _____ from the IECC standard for the climate zone for the states that the manufacturer said that the solar screens qualified for the tax credit.

The current IRS guidance on this tax credit, Notice 2009-53, provides a procedure allowing manufacturers to certify that a product satisfies the required efficiency standards in the law and thus qualifies for the tax credit. We based this procedure on the belief that taxpayers might face difficulty in determining whether the property that they purchase can satisfy the statutory efficiency standards. Manufacturers can better determine if the products that they manufacture will meet the technical requirements in

the law and effectively communicate information about qualifying products to consumers.

We do not approve manufacturers' certification statements; however, taxpayers who purchase a product that a manufacturer has certified can rely on this certification when claiming the credit. We can revoke an incorrect certification and impose penalties on manufacturers in appropriate circumstances.

I know this information may be disappointing, but I hope it is helpful. If you have any questions, please contact _____ or me at _____

Sincerely,

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

cc: The Honorable Harry Reid