

Part III - Administrative, Procedural, and Miscellaneous

Qualifying Gasification Project Program

Notice 2008-97

PURPOSE

This notice informs taxpayers that the entire amount of credit available under the qualifying gasification project program of § 48B of the Internal Revenue Code has been allocated in the allocation rounds conducted in 2006 and in 2007-08. Accordingly, no allocation of credits will be conducted in 2008-09 under the qualifying gasification project program. The purpose of the qualifying gasification project program is to consider and award certifications for qualified investment eligible for credits under § 48B to qualifying gasification project sponsors.

This notice does not reflect amendments made by the Energy Improvement and Extension Act of 2008, which expanded and modified the qualifying gasification project credit. The Service intends to issue guidance on these amendments in the near future.

BACKGROUND

Section 46 provides that the amount of the investment credit for any taxable year is the sum of the credits listed in § 46. That list includes the qualifying gasification project credit.

The qualifying gasification project credit is provided under § 48B. Section 48B(a)

provides that the qualifying gasification project credit for a taxable year is an amount equal to 20 percent of the qualified investment (as defined in § 48B(b)) for that taxable year in qualifying gasification projects.

Section 48B(d)(1) provides that the Secretary, in consultation with the Secretary of Energy, shall establish a qualifying gasification project program to consider and award certifications for qualified investment eligible for credits under § 48B to qualifying gasification project sponsors. The Treasury Department and the Internal Revenue Service established this program in Notice 2006-25, 2006-11 I.R.B. 609, as modified and updated by Notice 2007-53, 2007-26 I.R.B. 1474.

QUALIFYING GASIFICATION PROJECT PROGRAM

Notice 2007-53 provides that the Service will consider a project under the qualifying gasification project program only if the DOE provides a certification and ranking (if any) for the project. Certifications will be issued and credits will be allocated to projects in annual allocation rounds. The initial allocation round was conducted in 2006. An additional allocation round was conducted in 2007-08.

Section 48B(d)(1) provides that the total amounts of credit that may be allocated under the program shall not exceed \$350,000,000. In the 2006 allocation round, \$349,663,000 of credit was allocated. In the 2007-08 allocation round, \$337,000 of credit (the entire amount remaining) was allocated. Accordingly, no allocation round will be conducted in 2008-09 under the qualifying gasification project program.

EFFECT ON OTHER DOCUMENTS

Notice 2007-53 is updated.

DRAFTING INFORMATION

The principal author of this notice is Jaime C. Park of the Office of Associate Chief Counsel (Passthroughs & Special Industries). For further information regarding this notice contact Jaime C. Park at (202) 622-3110 (not a toll-free call).