

Part IV - Items of General Interest

Announcement of the Results of the 2010-2011 Allocation Round of the Qualifying Advanced Coal Project Program

Announcement 2011-62

This announcement discloses the results of the 2010-11 allocation round under the qualifying advanced coal project program of § 48A of the Internal Revenue Code. This announcement also serves as notice to applicants that a 2011-12 allocation round under the qualifying advanced coal project program is currently open pursuant to Notice 2009-24, 2009-16 I.R.B. 817.

QUALIFYING ADVANCED COAL PROJECT PROGRAM

Section 48A provides a qualifying advanced coal project credit in an amount equal to (1) 20 percent of the qualified investment (as defined in § 48A(b)) for that taxable year in qualifying advanced coal projects (as defined in § 48A(c)(1) and (e)) described in § 48A(d)(3)(B)(i), (2) 15 percent of the qualified investment for that taxable year in qualified advanced coal projects described in § 48A(d)(3)(B)(ii), and (3) 30 percent of the qualified investment for that taxable year in qualifying advanced coal

projects described in § 48A(d)(3)(B)(iii).

Section 48A(d)(5) provides that the Secretary shall, upon making a certification under § 48A(d) or § 48B(d), publicly disclose the identity of the applicant and the amount of the credit certified with respect to such applicant.

On April 20, 2009, the Internal Revenue Service (“Service”) issued Notice 2009-24 to announce an initial allocation round for the qualifying advanced coal projects described in § 48A(d)(3)(B)(iii) (“the Phase II advanced coal program”). The Service will certify \$1.25 billion of credits to qualifying projects under the Phase II advanced coal program.

Section 10.01 of Notice 2009-24 provides that the Service intends to publish the results of the allocation process, and disclose the following information in the event a qualifying advanced coal project credit under § 48A is allocated to the taxpayer’s project: (a) the name of the taxpayer and (b) the amount of the qualifying advanced coal project credit allocated to the project.

On September 27, 2010, the Service issued Announcement 2010-56, 2010-39 I.R.B. 398, setting forth the results of the initial allocation round, and notifying applicants of a second allocation round in 2010-11.

The allocation round in 2010-11 closed on March 1, 2011, and did not result in any allocation of the qualifying advanced coal project credit. Therefore, the Service will conduct an allocation round for 2011-12 in the manner and under the procedures as

provided under Notice 2009-24, as modified by Notice 2011-24, 2011-14 I.R.B. 603.¹

The available credit amount for 2011-12 allocation round under Phase II of the qualifying advanced coal project program is \$240,564,000, out of which \$103,564,000 is available for qualifying advanced coal projects that use sub-bituminous coal as a primary feedstock, and \$137,000,000 is available for qualifying advanced coal projects that use lignite as a primary feedstock. No credit amount is available for advanced coal projects that use bituminous coal as a primary feedstock. As provided under Notice 2009-24, the application period for the 2011-12 allocation round began on March 2, 2011, and ends on March 1, 2012, and taxpayers must submit applications to the Department of Energy (DOE) on or before November 1, 2011, and to the Service on or before March 1, 2012.

DRAFTING INFORMATION

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¹ Notice 2011-24 updated the rules relating to the annual measurement of separated and sequestered carbon dioxide and applies the recapture rules of § 50(a) in the event that a taxpayer fails to attain or maintain the carbon dioxide separation and sequestration requirements of § 48A or § 48B.