

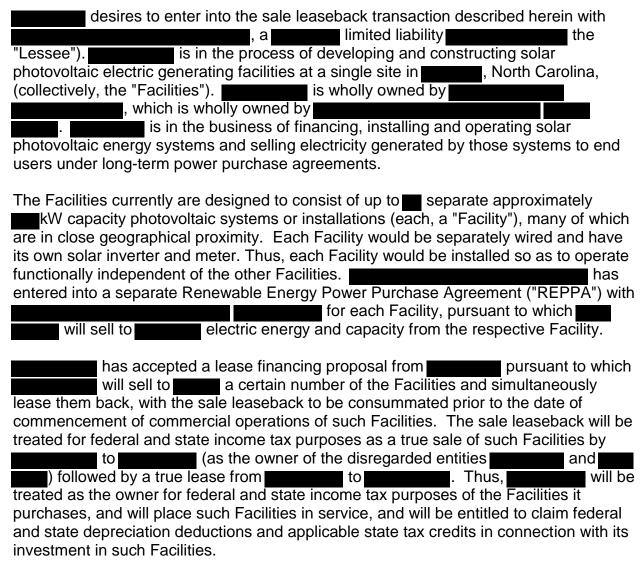
North Carolina Department of Revenue

Beverly Eaves Perdue Kenneth R. Lay Governor Secretary

September 1, 2010

Attention:
Re: Letter Ruling Request Submitted by
Dear :
This letter is in response to your request for a ruling dated which was submitted to the North Carolina Department of Revenue ("Department") in order to clarify certain definitions of the tax credit for investing in renewable energy property set forth in N.C.G.S. § 105-129.16A. The request was made on behalf of "Taxpayer") and regards the application of the Business and Energy Tax Credits, N.C.G.S. § 105-129.15 et seq. (the "Statute") to a solar photovoltaic electric generating facility at a single site in "North Carolina."
According to the facts submitted in your letter (copy is attached) and in the additional information received on, is a nationally chartered bank that is indirectly wholly owned by is the sole member of, a is the sole member of, a

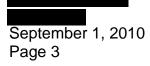
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Rulings Requested:

 Each Facility to be purchased by the Taxpayer (via sale leaseback) in the solar project described above will be treated as a separate installation for purposes of the ceiling on the amount of the renewable energy credit under N.C. Gen. Stat. § 105-129.16A(c)(1), as long as each such Facility is able to produce usable renewable energy on its own.

Department's Response: We agree. N.C.G.S § 105-129.15 (4b) defines "Installation of renewable energy property" as "Renewable energy property that standing alone or in combination with other machinery, equipment, or real property, is able to produce usable energy on its own", [House Bill 1829] As long as the "Facility" meets the definition as stated in the aforementioned statute, it



will be treated as a separate installation for purposes of the ceiling on the amount of the renewable energy credit under N.C. Gen. Stat. § 105-129.16A(c)(1)

2. This remains the same regardless of whether all of the Facilities are owned or leased to the same legal entity or separate affiliated legal entities.

Department's Response: We agree. Regardless of whether all of the Facilities are owned or leased to the same legal entity or separate affiliated legal entities, each facility will be treated as a separate installation for purposes of the ceiling on the amount of the renewable energy credit under N.C. Gen. Stat. § 105-129.16A(c)(1) as long as such Facility is able to produce usable renewable energy on its own. Importantly, although the ownership of the Facilities has no effect on the ability of a Facility to produce usable energy on its own, it is the owner, which places the Facility in service that is entitled to claim the NC Tax Credits generated in connection with each of the Facility. In the scenario described above, and are disregarded entities for federal income tax purposes. Therefore, their income and expenses and credits will flow through to their respective member because NCDOR recognizes the IRS "check the box" regulations.

This ruling is based solely on the facts submitted to the Department of Revenue for consideration of the transactions described. If the facts and circumstances given are not accurate, or if there are other facts that were not disclosed that might cause the Department to reach a different conclusion, then the taxpayer requesting this ruling may not rely on it. A letter ruling is not equivalent to a Technical Advice Directive that generally affects a large number of taxpayers. If a taxpayer relies on this ruling and the Department discovers, upon examination, that the fact situation of the taxpayer is different in any material aspect from the facts and circumstances given in this ruling, then the ruling will not afford the taxpayer any protection. It should be noted that this document is not to be cited as precedent and that a change in statute, a regulation, or case law could void this ruling.

