

LEGAL Q&A

Q What is the deadline for an eligible applicant to take advantage of the American Recovery Act's Section 1603 grant for specified energy properties?

A Section 1603's purpose is to reimburse eligible applicants for a portion of the cost of installing specified energy property used in a trade or business or for the production of income. Section 1603 payments are made after energy producing properties are placed in service; not prior to, or during construction of the specified energy property.

To be eligible for a Section 1603 payment, a specified property must have been placed in service in 2009, 2010, or 2011 or placed in service after 2011, if construction of the property began during 2009, 2010, or 2011. Properties placed in service after 2011 must be placed in service by the credit termination date, which differs depending on the type of specified energy property. For a list of credit termination dates for the different types of eligible specified energy property, a potential applicant can visit the United States Department of Treasury's guidance web site at <http://www.treasury.gov/initiatives/recovery/Documents/B%20Guidance%203-29-11%20revised%20%282%29%20clean.pdf>.



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