

COMMENTS from BURCELL TECHNOLOGIES, INC (BurCell) pursuant to an October 5, 2022, U.S. Department of the Treasury and the Internal Revenue Service (IRS) issuance of six Notices requesting public input on key climate and clean energy tax incentives in the Inflation Reduction Act.

BurCell Technologies, Inc. (BTI) is a bio-industrial technology company whose primary business is the commercialization and project development of products and services employing proprietary technologies which include Sponsor's patented "BurCell® System" – a disruptive industrial process for the separation, value extraction and value enhancement of organic source material generated through various industrial, commercial, and agricultural activities.

The "BurCell® System" is a batch fed equipment solution proven to produce significant benefits and value through its operation. These benefits include; 1) Macro Separation – A proven technology capable of separating and beneficiating nearly 100% of the organic component of mixed municipal solid waste from the non-organic component, and 2) Value Extraction – The ability to produce value added products from the separated organics through anaerobic digestion for enhanced biogas production and solid fuels for additional energy processes.

The BurCell process recovers and homogenizes a high percentage of the organics available in the waste it processes, including the wastepaper and corrugated, homogenizes it, and transforms it into a highly digestible feedstock capable of producing high quality biogas for upgrading to renewable natural gas. The organic feedstock that it delivers to an anaerobic digestion operation for biogas production has the benefit of the "BurCell Boost"; more digestible material that digests faster. BTI biogas projects provide our waste management partners with cost-effective landfill diversion of up to 80% of the waste processed.

BurCell provides the following comments for consideration as to NOTICE 6: Notice 2022-50

Request for Comments on Elective Payment of Applicable Credits and Transfer of Certain Credits

SECTION 1. PURPOSE The Department of the Treasury (Treasury Department) and the Internal Revenue Service (IRS) anticipate issuing guidance to implement the elective payment provisions under § 6417 and the elective credit transfer provisions under § 6418 of the Internal Revenue Code (Code), as added by § 13801 of Public Law 117-169, 136 Stat. 2003 (August 16, 2022), commonly known as the Inflation Reduction Act of 2022 (IRA). This notice requests general comments on questions arising under new §§ 6417 and 6418, as well as specific comments on questions listed in section 3 of this notice. Comments received in response to this notice will help to inform development of future guidance implementing §§ 6417 and 6418

BurCell's urges Treasury to implement the rules, regulations, and compliance requirements under Sections 6417 and 6418 as straight forward and reasonable as possible. To that end, BurCell offers generalized comments related to C Corporations and the transfer of Qualified Biogas Energy Property Investment Tax Credits (ITC) provided for in the Inflation Reduction Act of 2022 (IRA) Public Law 117-169, 136 Stat. 1818 (August 16, 2022)

- Section 6417 of the Code was enacted by § 13801(a) of the IRA, to allow certain taxpayers to elect to treat certain credits as a direct payment rather than a credit against their federal income tax liabilities.

BurCell would note that C Corporations (C Corp) appear to not be an entity that could potentially look to receive a direct payment in lieu of the ITC. As the specific asset may be in a separate special purpose entity (SPE) with 3rd party investors to include investors in the C Corp, and may be other than a C Corp, clarity as to transferees and unrelated taxpayers is important. Monetization of the ITC is a potentially critical component of the finance of the Qualified Energy Facility.

- Section 6418(a) provides that, in the case of an eligible taxpayer that elects to transfer all (or any portion specified in the election) of an eligible credit determined with respect to such taxpayer for any taxable year to another taxpayer (transferee taxpayer) that is not related (within the meaning of § 267(b) or § 707(b)(1)) to the eligible taxpayer, the transferee taxpayer specified in such election (and not the eligible taxpayer) is treated as the taxpayer for purposes of the Code with respect to such credit (or such portion thereof). Any election under § 6418 must be made at such time and in such manner as the Secretary may provide.

Pursuant to § 6418(b), with respect to any amount paid by a transferee taxpayer to an eligible taxpayer as consideration for a transfer described in § 6418(a), such consideration (1) must be required to be paid in cash, (2) is not includible in the gross income of the eligible taxpayer, and (3) with respect to the transferee taxpayer, is not deductible under the Code.

BurCell find that the ITC is a critical component of the finance structure of a Qualified Energy facility. BurCell urges Treasury to adopt rules and guidelines as quickly as possible so that taxpayers can evaluate whether to implement ITC transfers under 6418, and if so, how to proceed with such ITC transfers.

As to SECTION 3. REQUEST FOR COMMENTS

BurCell would add to their suggestions as to the most important need for clarity and timeliness as to the process for establishing an ITC credit amount that can be reasonably relied upon by the taxpayer and the transferee and the timeliness and process for such transfer to be approved with a general request that the process, rules, and regulations be provided as uncomplicated as possible with the intent to assist taxpayer with an ease of compliance.