



November 4, 2022

Submitted via Regulations.gov

Internal Revenue Service
CC:PA:LPD:PR (Notice 2022-50)
Room 5203 P.O.Box 7604
Ben Franklin Station
Washington, DC 20044

Re: “Request for Comments on Elective Payment of Applicable Credits and Transfer of Certain Credits,” Notice 2022-50 (Oct. 5, 2022)

Introduction

GAF Energy, a Standard Industries company, is the leading provider of solar roofing in the United States. The company’s signature product, the Timberline Solar™ roof system, incorporates the world’s first nailable solar shingle to create an attractive, durable, reliable and easy to install solar roof.

Timberline Solar™ was developed and is produced at the company’s R&D and manufacturing facility in San Jose, California. GAF Energy has begun construction on the company’s second facility - encompassing 450,000 square feet - in Georgetown, Texas. Once completed, the facility will be the largest solar roof production facility, by capacity, in the world.

Over five million new roofs are installed on U.S. homes each year. One out of every four of those roofs come from GAF, the sister company of GAF Energy and the largest roofing and waterproofing company in North America. With access to GAF’s national contractor network, GAF Energy is uniquely positioned to bring residential solar to the mass market, transforming more roofs into solar roofs each year.

The Timberline Solar™ Energy Shingle (ES) has received multiple awards and honors since its launch in early January 2022, including the Best of Innovation award from CES, Green Builder’s Sustainable Home Award, Fast Company’s World Changing Ideas and Innovation by Design awards, Good Housekeeping’s Best Home Renovation Award, the NAHB Best of IBS Awards Most Innovative Construction Tool, and others.



GAF Energy is dedicated to transforming the solar and roofing industries to generate energy from every roof, and appreciates the opportunity to provide these comments to Notice 2022-50.

Responses to Requests for Comment

Is guidance needed to clarify how any other Code provision applies to an eligible taxpayer or a transferee taxpayer when an election is made under § 6418? If so, what is the Code provision and what clarification is needed?

Section 6418(a) provides that the transferee taxpayer specified in such election (and not the eligible taxpayer) shall be treated as the taxpayer for purposes of the Code with respect to such credit (or such portion thereof).

Requests:

1. Adopt the following guidance:
 - a. Section 469 (passive loss rules) and Section 49 (at risk rules) shall not apply to the transferee with respect to the credit specified in such election.¹

Conclusion

GAF Energy appreciates the Department of Treasury's focus on implementing the Inflation Reduction Act of 2022 and providing all stakeholders an opportunity to provide input. If you have any questions, please contact Lucy Zhao at lucy.zhao@gaf.energy.

[signature page follows]

¹ This suggestion is made for practical purposes, given that an unrelated transferee likely does not participate in the credit-activity (since at most, the transferee has a minority interest in the activity). If Section 469 and Section 49 applied to transferees, individual and closely-held corporate transferees would be precluded in almost all cases from enjoying the benefit of the transferred credits, which is contrary to the purpose of the statute.



Sincerely,

/s/ Louis Feldman

Louis Feldman
Chief Tax Counsel, Standard Industries Inc.

/s/ Lucy Zhao

Lucy Zhao
Lead Counsel, GAF Energy LLC