

February 17, 2012

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Via E-Mail (Sherrie.Kinkle@boe.ca.gov)

Sherrie Kinkle  
State Board of Equalization  
Property and Special Taxes Department  
P.O. Box 942879  
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Re: Guidelines for Active Solar Energy Systems New Construction Exclusion

Dear Ms. Kinkle:

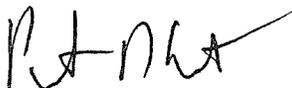
I am submitting the following comments to the DRAFT *Guidelines for Solar Energy Systems New Construction Exclusion* (Letter to Assessors N. 2011/039) ("Draft Guidelines"):

An additional example should be added on page 8 of the Draft Guidelines to clarify the treatment of new construction of active solar energy systems property when a builder that does not intend to use the property has obtained a builder's exclusion pursuant to Revenue and Taxation Code section 75.12, and construction of the property is not complete by January 1, as the current draft does not provide an example of that scenario. I propose that the following example be added at page 8, following current Example 3:

*Example 4*

*With a builders' exclusion in place, construction of a commercial power plant with an active solar energy system was started by a builder in March 2010. Construction was 80 percent complete on January 1, 2011, at which time the value of the construction in progress would have been enrolled. The portion of the active solar energy system that was installed would have been excluded. Completion of construction occurred in February 2011. Because the builder's exclusion is in place, no supplemental assessment would be issued upon completion if the builder does not use the property. Upon subsequent sale, the initial purchaser would be eligible for the new construction exclusion for the solar energy system.*

Respectfully submitted,



Peter B. Kanter