

## TAX RELIEF THROUGH RENEWABLE ENERGY

WHAT DO WE OFFER?	WHAT ARE THE BENEFITS?	WHO DO WE HELP?
<p><b>Tax relief through the acquisition of income-generating tax-advantaged assets related to...</b></p> <ul style="list-style-type: none"> <li>• Solar</li> <li>• Hydrogen production</li> <li>• Hydrogen storage and dispensing</li> <li>• Fuel cells</li> </ul>	<ol style="list-style-type: none"> <li>1. Project with net positive cashflow</li> <li>2. A <b>100% bonus depreciation deduction</b> on the value of the purchase price</li> <li>3. A <b>40% tax credit</b> on the value of the purchase price</li> </ol>	<ul style="list-style-type: none"> <li>• <b>High-income earners</b></li> <li>• Those realizing <b>capital gains</b> or <b>liquidity events</b></li> <li>• <b>Family offices</b> and <b>trusts</b> seeking tax-efficient asset diversification</li> <li>• <b>Professional advisors</b> seeking compliant, high-ROI tax strategies for clients</li> </ul>
<p>Clients typically realize approximately a <b>100% cash-on-cash return</b> on down payment amount within the first year.</p> <p>In the example below, <b>\$3,100,000</b> of tax savings are generated in year 1 by a project requiring <b>\$1,485,000</b> of down payment (<b>109% ROI</b>).</p>		

## HOW IT WORKS

No Acquisition	Fuel Cell Acquisition																																																
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- Investor earned **\$10,000,000** in 2025 and has a tax liability of **\$3,600,000**.
- Investor purchases a fuel cell from Seller, Clearsun Power, for **\$4,500,000**, using a cash down payment of **\$1,485,000** and a note for **\$3,015,000**, which is held by the Seller.
- The fuel cell qualifies for a **30%** tax credit as well as an additional **10%** tax credit, bringing the total to **40%**. The tax credit allocated for the **\$4,500,000** cost basis is **\$1,800,000**.
- For the depreciation deduction, there is a **20%** adjustment to the **\$4,500,000** cost basis. The depreciable basis after the adjustment is **\$3,600,000**, meaning that Investor will be able to take a **\$3,600,000** deduction in 2025.
- Initially, Investor, with income of **\$10,000,000**, owed **\$3,600,000** in tax. With the fuel cell purchase, Investor can take a depreciation deduction of **\$3,600,000**, reducing Investor's taxable income to **\$6,400,000**. The tax owed on **\$6,400,000** of income is approximately **\$2,300,000**.

- The **40%** tax credit on the purchase price of **\$4,500,000** results in a tax credit allocation of **\$1,800,000**. Investor's tax liability is **\$2,300,000** after applying the deduction. Investor's tax credit of **\$1,800,000** reduces Investor's tax owed from **\$2,300,000** to a final federal tax liability of **\$500,000**.
- Investor's tax liability has been reduced from the initial **\$3,600,000** down to **\$500,000**, resulting in tax savings of **\$3,100,000**. Remember, Investor put down a **\$1,485,000** cash down payment to purchase the fuel cell. When you subtract the **\$1,485,000** from the tax savings of **\$3,100,000**, you arrive at the year-1 net benefit of **\$1,615,000**. This is a **109%** return on investment received in year 1.
- Investor purchased the **\$4,500,000** fuel cell using a cash down payment of **\$1,485,000** and a note of **\$3,015,000**. Seller of the fuel cell, Clearsun Power, is the holder of the note. The note is owed to Seller by Investor. The note is amortized over **20 years** at a **4.5%** interest rate, resulting in a monthly loan payment of **\$19,074**.
- The monthly loan payment is paid off by revenue earned from the fuel cell. The fuel cell earns revenue by being leased out to off takers that require the power produced by the fuel cell. The fuel cell in this example is leased out to an off taker for **\$21,000** per month. This revenue pays Investor's monthly loan payment of **\$19,074**.