

# SOLAR TAX EQUITY OPPORTUNITY



## WORLD SPORTS ALLIANCE (USA), A Nonprofit Corporation

In partnership with World Sports Alliance Intergovernmental Organization ([wsaigo.org](http://wsaigo.org)), in partnership with the United Nations (UN-DESA) and a full supporter of the UN Sustainable Development Goals.



## TECHNICAL DIAGRAM OF SOLAR TAX EQUITY DONATION

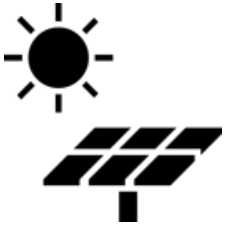
June 16, 2017

**WORLD SPORTS ALLIANCE SOLAR TAX EQUITY DONATION:  
A WAY TO REBATE 3% OF FEDERAL INCOME TAXES, SUPPORT AMATEUR SPORTS & REDUCE CO<sub>2</sub> EMISSIONS**

## **SOLAR TAX EQUITY OVERVIEW**

- Client can either pay 100% of their income tax amount owed or acquire Tax Equity from WSA Solar Co LLC, special purpose vehicle (“WSA Solarco LLC”) and enjoy a 3% rebate, while supporting amateur sports and the environment.
- Tax Equity is defined as a combination of Solar Tax Credits and/or Net Operating Losses, that have the effect of mitigating or eliminating Federal Income Tax. Tax Equity can be applied for up to a 2 year carry back and our particular program is good through 2019.
- The client is going to eliminate their income tax liabilities for these years. In exchange for the Tax Equity, the client agrees to contribute 97% of that amount rebated directly to WSA Solarco LLC that provided the Tax Equity.
- The client will only pay 97% of their previously calculated income tax amounts they currently owe and apply Tax Equity instead. Good for quarterly estimated tax payments or annual income tax now due.
- Participation in this process supports sustainability as per the United Nations Sustainable Development Goals and may qualify as a positive activity on the SDG index: [www.unsdsii.org](http://www.unsdsii.org)
- All potential participants are advised to seek independent financial, legal and tax counsel before taking any action in connection with the concepts presented.

# STANDARD CAPITALIZATION MODEL FOR WSA SOLARCO LLC PROJECTS (USA)



**WSA SOLARCO. LLC**



- WSA SOLAR CO PURCHASES AND OWNS EQUIPMENT
- RECEIVES 30% SOLAR TAX CREDIT FOR PLACING EQUIPMENT IN SERVICE BEFORE 2019
- ACCELERATED DEPRECIATION IN YEAR 1
- GENERATES NET OPERATING LOSSES (“NOL”s)



**SOLAR ENERGY CUSTOMER**

- CONTRACTS FOR USE OF THE EQUIPMENT FROM MANAGER
- PAYMENT = 80% OF THE RATE OF THE LOCAL UTILITY
- STAYS OFF THE GRID MOST OF THE TIME
- KEEPS POWER IN BLACKOUTS. SUSTAINABLE.



**SOLAR INSTALLER / MANAGER**

- SOLAR MANAGER INSTALLS AND MAINTAINS EQUIPMENT
- BILLS SOLARCO AND GENERATES LOSSES
- OPERATES EQUIPMENT ON BEHALF OF SOLARCO
- LEASES THE EQUIPMENT TO SOLAR ENERGY CUSTOMER FOR CASHFLOW
- REINVESTS CASH INTO NEW SOLARCO & REPEATS THE PROCESS

**SOLAR INSTALLER IS A CONTRACTED 3<sup>rd</sup> PARTY WHO IS ALSO UNDER COMMON CONTROL OF THE MANAGEMENT OF SOLAR CO LLC**

**CLIENT RECEIVES SOLAR TAX EQUITY THROUGH OWNERSHIP OF SOLAR CO. LLC.**



**WSA SOLARCO. LLC**

TRANSFER OWNERSHIP UNITS OF  
WSA SOLAR CO. LLC (A STATE OF AZ LLC)  
W/TAX EQUITY ATTACHED

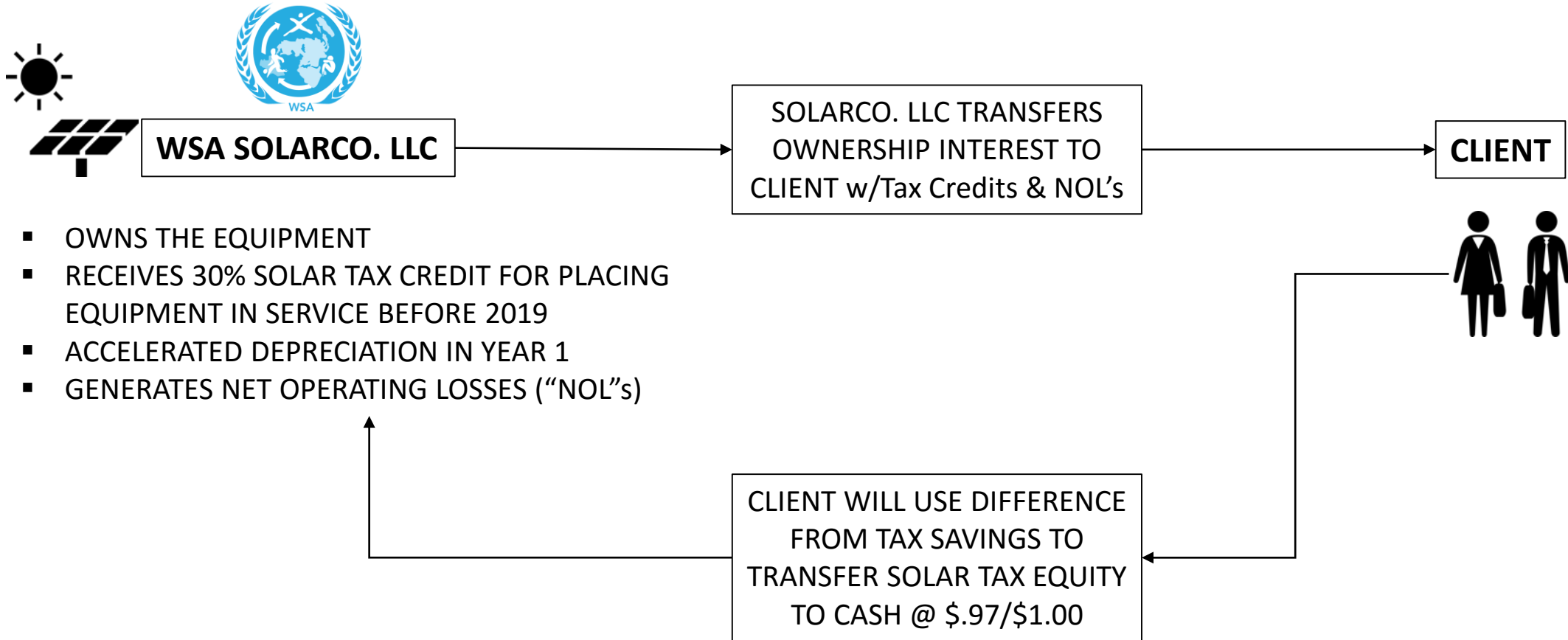
**CLIENT**



CLIENT'S OWNERSHIP OF SOLAR  
CO. VEHICLE LLC INCLUDES PASS-  
THROUGH OF SOLAR TAXEQUITY

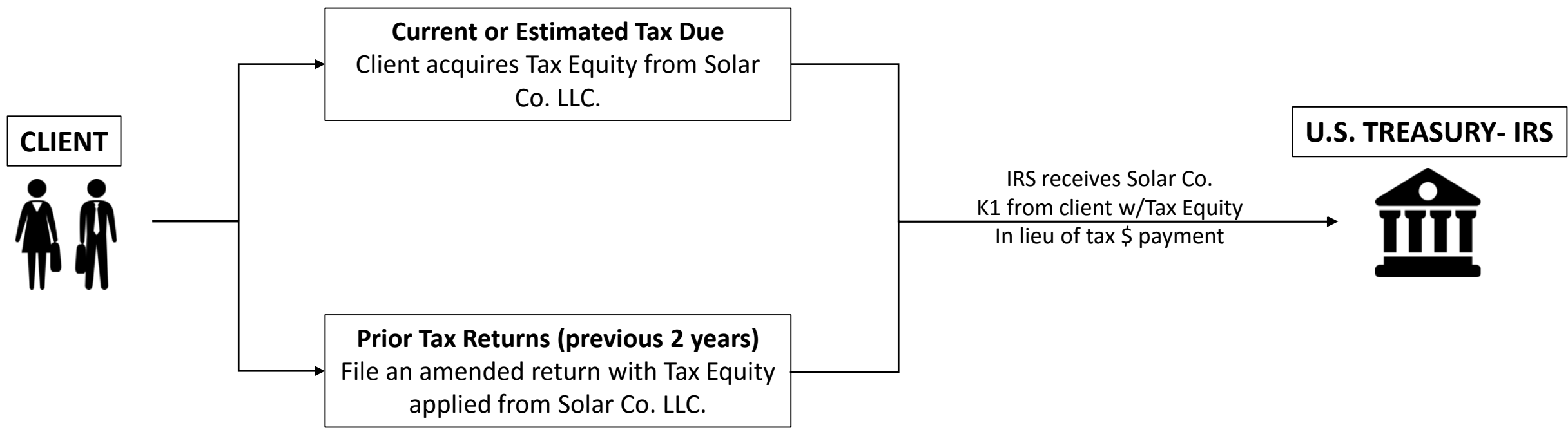
WSA SOLAR TAX EQUITY IS  
APPLIED TO CLIENT'S TAX  
RETURNS VIA K-1 AND  
REDUCES CLIENT'S INCOME  
TAX LIABILITY TO \$0

**SOLARCO. LLC. ENJOYS A TAX CREDIT UNDER THE LAW TO ENCOURAGE SOLAR INVESTMENT  
SOLAR PROJECTS GENERATE LOSSES w/ ACCELERATED DEPRECIATION  
THE CREDITS AND/OR THE NET OPERATING LOSSES ARE CONSIDERED “TAX EQUITY”**



**SOLAR TAX EQUITY IS THE NUMBER ONE WAY THAT SOLAR PROJECTS ARE CURRENTLY FINANCED**

**SOLAR EQUITY TAX EQUITY CAN BE APPLIED TO REDUCE CURRENT INCOME TAX LIABILITY BY 3% OR CAN BE APPLIED TO CURRENT AND LAST 2 YEARS PRIOR TAX RETURN TO RECEIVE A 3% REFUND**



# IRS TREATMENT OF TAX EQUITY



IRS received Solar Co. K1 from client w/tax equity-losses in lieu of tax \$ payment

U.S. TREASURY- IRS



## Prior Tax Returns (previous 2 years)

After receiving Tax Equity via new return, IRS recognizes client owed \$0 for that period and refunds all **income tax** payments via check. Applies to Federal Income Tax: NOT FICA, SS, Medicaid payments, etc.

## Current or Estimated Tax Due

Client owes \$0 for taxes to IRS  
Offset tax payments w/K-1 from Solar Co. LLC. @ \$0.97% per \$1.00  
Saved 3% of amount due

Client sends 97% of rebate check to World Sports Alliance (USA) on behalf of WSA Solar Co. LLC. upon receipt in exchange for Tax Equity transfer. 3% Balance remains with client as their cash to spend



CLIENT

Client saved 3% of tax due, saved 3%! Supported youth sports, the environment and the UN SDG's!!

**NO OUT OF POCKET EXPENSES. SOLAR TAX EQUITY IS FUNDED BY TAX REFUNDS OR TAX PAYMENTS ONLY.  
WE PREPARE ALL TAX FORMS AND WILL PAY YOUR TAX PROFESSIONALS TO INTEGRATE IF NEEDED**