

## BETC PASS-THROUGH PARTNER - FAQ

### What is a BETC

BETC is an incentive program designed to encourage business owners to invest in energy and conservation projects in exchange for a 35%-50% tax credit. Business Energy Tax Credits (BETC).

### What is a BETC Pass-through Partner?

The BETC Pass-through program allows an entity with no Oregon tax liability (such as Metro) to participate in the Business Energy Tax Credit program. The entity can “pass through” its tax credit eligibility for an eligible energy project to a business or individual with an Oregon tax liability, in exchange for a lump sum payment at a percentage of face value “Pass-through Rate” set by ODOE. The pass-through partner(s) recoups their investment by claiming the tax credit against their own state tax liability. Once purchased, the BETC is not revocable by the DOE. The State handles the BETC Pass-through program transactions and has a surplus of credits available.

### Advantages of becoming a BETC pass-through partner

- BETC credits are purchased at less than face value
- Depending on the timing of the purchase, the BETC return can yield an internal rate of return in excess of 20%.
- It can help diversify an investment portfolio.
- It gives the opportunity to invest in renewable-energy projects.
- It reduces total state income liability.
- It can lower effective state rate.

### Who is eligible to be a Pass-through Partner

- Individuals
- C corporations
- Tax paying trusts
- S Corporations

### What does a pass-through partner need to do?

Contact Notify Metro to notify us of your interest. Metro will get you connected you with the Oregon Department of Energy to facilitate the process.

- A pass-through partner(s) provides the Oregon Department of Energy with the name of a specific project owner he or she would like to partner with. **(In this case, Metro application #30931)**
- There is limited paperwork for a pass-through partner. A pass-through partner(s) must sign an agreement that includes their name, address and federal tax identification number or social security number. (See attached.)
- The pass-through partner(s) writes and sends the checks directly to the project owners.
- Upon written confirmation from the project owner of receipt of the full pass-through payment, the Oregon Department of Energy issues the pass-through partner(s) the final tax credit certificate.
- The pass-through partner(s) files the tax credit with their Oregon income tax return.