

# Utah, Nevada companies cited in case of solar-energy tax scheme

The Associated Press

First Published Nov 23 2015 09:42PM · Updated 18 minutes ago

Authorities say companies in Nevada and Utah are selling solar energy parts for tax breaks in an alleged scheme that has cost the U.S. Treasury more than \$4 million.

The Justice Department filed a federal complaint Monday to shut down the Utah-based businesses RaPower-3 LLC and International Automated Systems Inc. and Nevada-based LTB1 LLC.

The companies are allegedly selling "solar thermal lenses" through an energy generation facility in Millard County, Utah. Such sales are under the premise that it qualifies customers for tax breaks, including claims for depreciation and business-related expenses and solar energy credits on individual income tax returns.

But that alone doesn't meet the specific Internal Revenue Code requirements to qualify for such breaks, which can be used as deductions for businesses. The Justice Department said the companies also created a commission incentive so that customers could recruit others but that it had done business knowing the facility operations don't qualify for those tax credits.

Calling it an "abusive tax scheme," officials said it's connected to at least 70 related cases across the country that have been filed to Tax Court, which has cost the U.S. Treasury more than \$4 million.

Greg Shepard, who is named in the permanent injunction and is listed as chief director of operations on RaPower-3's website, said he was not aware of the complaint but would fight it in court. He said no federal officials have been to the site but that the Justice Department and Internal Revenue Service have been challenging their business technology and trying to shut them down for over two years.

"That's bogus. If our technology is OK then our business model is OK," Shepard said.

Officials with International Automated Systems and LTB1 LLC couldn't immediately be reached.