

For Churches: Dealing with the IRS to Obtain the 30% Elective Payment Credit  
For a Solar Panel Installation as Happened  
At Kadampa Center for Tibetan Buddhism, Raleigh North Carolina  
Reported in September, 2025 After Receiving the Payment

Background: the Federal Government has had a 30% “Clean Energy Credit” for homeowners for many years. This provided a tax credit for homeowners that insulate their home, install certain energy-efficient appliances, or put on solar panels. The original regulation did not provide the credit for non-profits such as churches, even if they owed Federal income tax, and of course did not benefit an organization that owes no Federal income tax at all. Most churches owe no income tax.

This changed with the Inflation Reduction Act of 2022. It explicitly extended the 30% tax credit to non-profits such as churches and provided that we could receive the credit even if we owed no income tax. We were to file a tax return that showed we owed no tax, but were owed the 30% credit, and it would be paid out to us by pretending that we had overpaid our non-existent tax bill. I’m looking at our final letter from the IRS sending our payment check and it includes an “invoice” headed: “Overpayment: \$12,521.19” and the details say “Tax decrease - \$12,137.00”.

This report is being written to help other churches get the credit amount that Congress says we are owed.

The Solar Installation: Thirty-eight commercial-size solar panels and two inverters were installed at Kadampa in February, 2023. The law declared that eligibility for the 30% tax credit began on January 1<sup>st</sup> of 2023 so we expected to get the credit. It took 30 months and immense effort to make that happen.

Step One: Waiting for news about how to file:

In 2023, it was impossible to file for the credit since the IRS had published no forms or instructions or guidance on how to do it. I checked their web site often but it was a full year later that their pages began to describe the process. New pages titled “2023 IRA/CHIPS Credit Registration” appeared in February, 2024. The IRS web site said that any organization exempt from tax by reason of Section 501(a) of the tax code must complete an online registration process just to be able to file for the credit. That would include all churches with the 501(c)(3) designation.

Step Two: Online registration, getting permission to file:

The online registration process at the IRS website required specifying the location of the solar installation to the nearest one-millionth of a degree of latitude and longitude. That’s

about four inches on the earth's surface. I guess that they were concerned about fraud and were going to use satellite views to search for our solar panels from high above earth. Google Earth gave me the location information I needed.

When I tried to sign on and identify with our EIN, the IRS site claimed there was a "System Error". It took several tries to guess that the problem was that the IRS knew us only as "The Kadampa Center" and definitely NOT "Kadampa Center".

After clearing up that issue, the IRS web site was so unable to handle the load of taxpayers trying to register that it refused to let me submit the information. After entering all information, it said "Come back later to submit" and refused to go further. I plodded through re-typing the online forms at random times for the next three days. Finally, on the third day, it accepted the registration request. The status showed as "Awaiting Assignment". It stayed that way for two or three weeks.

After about three weeks of waiting, in March 2024 we were issued Registration Number "PB00123000JY". Now we could try to file our tax return.

Step Three: Learning what and how to file:

Kadampa Center had never filed a Form 990-T since we do not conduct any business activity unrelated to our religious purpose. Checking the IRS site, it appeared that we needed to file a 990-T, a Form 3800, and a Form 3468. This adds up to 20 pages with about 50 lines or checkboxes per page, about a thousand pieces of information in total. But most of the lines deal with credits for agricultural chemicals, mine rescue team training, biofuel producers, and dozens of other activities. The difficult part is finding the few widely scattered items you actually need to fill in to get credit for solar panels. I count only 13 items on Form 990-T, 18 on Form 3800, and 22 on Form 3468.

The forms are available on the IRS web site as downloadable, fillable pdf forms. You can edit them and save them. But you must print them onto paper then mail them in because (as I understand) Forms 3800 and 3468 are NOT e-fileable.

Step Four: Searching for professional tax preparers

The IRS Forms 990-T, 3800, and 3468 are twenty pages of tremendous complexity where entries on one form carry over to the other while the majority of the blanks and boxes didn't apply to our Buddhist Center at all. I visited two H&R Block offices to try to consult with them and found it was useless. They didn't know how to file for this new solar credit, it did not apply to any client they ever had, and they refused to take on the job of assisting us. I called five CPA firms in the Raleigh area, all of them on the IRS's list of e-file providers, and

got the same response. No help. Reluctantly I began reading the hundreds of pages of online documents on the IRS site, trying to educate myself.

#### Step Five: Filing the first time (out of four) – May 2024

By May 2024, I thought that I had successfully filled out the three forms, so I signed and sent certified mail to the IRS at Austin, Texas. That was the only mail-in address I could find on the IRS website. We were filing to receive a credit of \$12,137. I know the forms were delivered on May 9 2024 at 11:38 am but the IRS has never responded to that filing in any way in the sixteen months since then. Not even to let us know they received the return.

#### Step Six: Filing for the second time (out of four) – September 2024

After four months of no response from the IRS, I checked their website and noticed that the address for filing by mail was now listed as Ogden, Utah. So I sent our second filing by certified mail to Ogden (all information exactly the same as with the first filing). I sent a cover letter explaining that we owed nothing and were just filing for our credit.

After about 90 days, we got a letter from the IRS. Their people or their system had completely inverted our request for a credit and perverted it into a statement that we owed \$12,137, plus penalties, plus interest that came to \$16,552.00. If we disputed this we were to phone them at an 800-number.

They apparently never read my cover letter that explained we were filing just to obtain the \$12,137 credit and owed NO federal income tax. That might have clued them in to the fact that I had not correctly filled in every line or all the needed check-boxes. In fact, I had not, but the forms are so complicated and the unfamiliar terminology so difficult that some error seems guaranteed.

I started to phone the toll-free numbers listed for those “who needed to contact us” and found how time-wasting and hopeless this was. I listened to their scratchy recorded music for hours. Some calls were eventually answered by a person who would put me into a call queue at another department. Some ended with the recorded voice saying “call volume too high, call some other time, disconnecting you now”.

A frightening point was that the IRS letter threatened to forcibly collect the amount they wrongly claimed was due through “Notice of intent to levy your property”. I just kept on trying to correct their misunderstanding by trying to discover why the IRS was so confused and then re-filing our tax return.

#### Step Seven: Filing for the third time (out of four) – February 2025

I sent copies of our three tax forms to our new CPA. By this time, he did have one other church client that had achieved success in filing for their solar credit so I took his advice and adjusted or further completed several different lines or sections of our return. It's

difficult to find all the lines that require entries as out of the 20 pages, 11 are left completely empty and the other nine pages only have entries in about 5% of the spaces. I mailed the forms certified mail, again to the Ogden office.

In April 2025, I received their reply. They still claimed we owed \$12,137 plus interest and penalties, totaling merely \$14,000 this time.

I tried again to phone the IRS for help, spending several hours on several tries till I reached a person. She had one very important suggestion. She suggested that the way to clear up all the confusion was to check one little box, Box “F” near the top right, page 1 of form 990-T. The instruction for this box says “Check box if an amended return”.

Apparently this tells the IRS to forget about all the previously filed forms and just attend to the new one being submitted.

#### Step Eight: Filing for the fourth time (out of four) – April 2025

I submitted the forms for the fourth time, exactly the same as the third try but with Box F checked.

Three months later, we still had no response. I decided to try contacting our U.S. Representative for North Carolina’s District 2, Deborah Ross. Her web site had a form to submit, I tried it and a staff member emailed back. I responded right away with our permission for them to contact the IRS and they did so. Six weeks later, on August 21, 2025 we received an email from Congresswoman Ross’s office that our refund check was on the way.

The email said it might take up to five weeks for our credit to reach us but in fact it arrived in about one week. The IRS letter is dated August 18, 2025 and included an “adjustment notice” as well as a U.S. government check for \$12,521.19.

#### Step Nine: Trying to understand the August 18<sup>th</sup> “adjustment notice”

Without any explanation except the words on the five lines below, the adjustment notice says:

Amount due on account before adjustment:	\$742.44
Tax – Decrease:	\$12,137.00
Credit interest allowed:	\$1,107.94
Reduction of interest previously charged:	\$18.69
OVERPAYMENT:	\$12,521.19

Kadampa Center makes quarterly payments for Medicare and FICA taxes on our payroll, but we keep those payments up to date and there is no explanation of why the IRS thinks we have an “Amount due on account”.

The “Tax-Decrease” is the amount of credit we claimed.

The “Credit interest allowed” we guess is a credit to us for the IRS lateness in paying us the \$12,137 credit. No description of the time period or the interest rate used or the policy rule the applies to our case.

The “Reduction of interest previously charged” is a complete mystery, no explanation as to how or when the IRS charged us the interest or why they are repaying \$18.69 with this letter.

We took the \$12,521 to the bank on September 3, 2025 and hoped that our IRS nightmare was over.

Step 10: Mind-boggling confusion and error

On September 9 2025 the IRS sent a further letter stating as follows:

“We can’t process your Form 990T and are returning it to you. The Taxpayer First Act requires tax-exempt organizations to electronically file information returns . . . “We won’t consider your return filed until it’s filed electronically . . . “We will charge you a penalty for filing late . . . “The penalty is \$10 a day for each day your return is late, limited to \$5,000” . . .

As of September 26, 2025, the IRS did not and has not returned our 990T to us. They just sent the cryptic one-page letter quoted above, claiming we could not file by mail even though they had just officially accepted our mailed-in tax forms and then paid us the credit we filed for.

As far as I know, we absolutely had to file our 990-T on paper because it had to go with form 3800 and 3468 that could only be filed on paper, via the mail.

If you installed solar panels at your church or tax-exempt organization on or after January 1, 2023 and are owed the 30% Federal credit, I encourage you to file for it. I hope that this lengthy story about our experience will enlighten and explain and perhaps assist you to avoid some of our mistakes. If you contact me and include your organization name and Employer Identification Number, I am willing to share a copy of our forms 990-T, 3800, and 3468 after we establish a connection.

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