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Satisfying the IRS Depreciation Conditions

General Info

This is somewhat confusing and complicated. Share this info with your tax preparer and have the following ready in case of an audit. There are three entities that need to be recognized along with your Placed In Service letter and our two tax attorney opinion letters. You electronically and legally sign agreements and contracts with all three entities at the same time you sign up to become a distributor for RaPower3.

Entity One

This is your agreement with RaPower3: The Equipment Purchase Agreement. This proves you purchased so many solar lenses and that you are under contract to fulfill the terms of the agreement.

Entity Two

This is your Operation & Maintenance Agreement with LTB, LLC, a company headquartered in Las Vegas, Nevada. In this agreement it outlines the responsibilities of LTB, LLC like maintaining your lenses, providing insurance and replacing your lenses if broken, among other duties and requirements. This agreement is part of implementing your business plan. LTB, LLC agrees to rent your lenses at \$150 per lens and after the first five years, part of that \$150 (\$82) goes to pay off your contract with RaPower3. LTB, LLC makes money from the revenue generated from the solar lenses. Everyone wins. You are actively engaged in your solar business because of this agreement and since you do most or all of the work in the business, you are also a material participant.

Entity Three

This is your Bonus Contract between you and International Automated Systems (The patent holders and owners/controllers of many technologies). Your lenses are Placed In Service the second you sign up to become a distributor via an electronic signature. You allow International Automated Systems (IAS) to use your solar lenses for advertising. In return, IAS agrees to give you a certain small percentage based on the 1st or 2nd billion dollars in gross sales. Here's the following from one of the bonus contracts: Purchaser agreeing to make the Systems available to IAS as a reference for marketing and sales purposes to show and demonstrate to potential customers ("New Customers"), Purchaser has earned and shall thereafter receive a referral fee (the "Referral Fee," as more fully explained below) for services performed by allowing access and use for sales purposes, for each System purchased, the Referral Fee shall be zero point zero and zero and zero two percent (0.0002%) on referral amounts up to One Billion Dollars (\$1,000,000,000) of gross revenue received by International Automated Systems (IAS). The RaPower3 Sponsor also receives half of what the Purchaser receives. (0.0001%).

Your Placed In Service Letter

Don't be confused. You need to place your lenses in service two ways: one for tax credits and one for depreciation. The following sample letter is for your tax credits:

This letter is regarding the "Alternative Energy Systems" that you purchased from RaPower3 LLC. RaPower3 put into service your equipment for seven solar lenses on or before December 31, 2010. This will qualify you for the Internal Revenue Service solar energy tax credit (However for your personal information, Section 103 Div.B Energy Credit (code Sec.48). "For projects whose construction time is expected to equal or exceed two years, the Credit may be claimed as is placed in service.")

The Tax Attorney Letters offer the tax codes to certify the validity of using the Bonus Contracts and advertising of the solar lenses to qualify for the depreciation and proof of being Placed In Service at the date of purchase:

The Anderson Tax Attorney Opinion Letter

To be depreciable, the property must meet all of the following requirements: it must be property you own; it must be used in your business or income-producing activity; it must have a determinable useful life; and it must be expected to last more than one year after being placed in service.

A taxpayer can start claiming depreciation of an asset as soon as his or her property is placed in service. Property is placed in service when it is ready and available for a specific use, whether in a business activity, an income-producing activity, a tax-exempt activity, or a personal activity. This does not mean you have to be using the property, just that it is ready and available for its specific use.

If the equipment is ready and available for ANY income producing activity, including leasing it out for advertising purposes, the owner may start claiming depreciation of the asset.

The Kirtan McConkie Letter

Property is placed in service when it is "placed in a condition or state of readiness and availability for a specifically assigned function." Treas. Reg. Section 1.46-3(d)(1)(ii). However, the Tax Court has held that for property purchased for lease to others to be placed in service, "it is not necessary that the property actually be used during the taxable year in the taxpayer's profit-motivated venture. It is sufficient that the property be available for use." Waddell v. Commissioner, 86 T.C. 848 (1986), citing Sears Oil Co. v. Commissioner, 359 F.3d 191, 198 (2d Cir. 1966) and Grow v. Commissioner, 80 T.C. 314, 326-327 (1983).

The Importance of these Documents

All of the above documents, agreements and letters work in concert with each other. All are important cogs in the wheel of your tax benefits. You qualify for the tax credits as your solar lenses are in a state of readiness to always produce heat from the sun. You qualify for the depreciation as your solar lenses are immediately being used to make you money.

You relied on the above tax attorneys, who offered their research and opinions, to become involved with RaPower3, in the first place. This reliance is vastly important. It is not only for the RaPower3 Team Members, but for everyone else concerned. IAS, RaPower3, LTB, LLC, CPAs, Tax Preparers also all relied on these tax opinions.

The entire letters can be found on rapower3.com under [documents](#) or below in the website footer.

Make Payments To:
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AGREEMENTS



Lens Purchase Agreement



Operations & Maintenance



Commission Agreement



Policies & Procedures



Distributor Application

DOCUMENTS



IAUS Tech White Papers



Tax Opinion Letter



Tax Memorandum



RaPower3 History



Millard County Permit

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