Unlike other community development incentives that typically have seasoned developers and investors, renewable energy transactions often have developers and/or investors who are new to tax incentives. It's critically important that investors and developers understand the book accounting or generally accepted accounting principles (GAAP) and implications of their proposed and existing investments. In this episode of Tax Credit Tuesday, Michael Novogradac, CPA, and Novogradac partner Alvin Lee, CPA, discuss how an understanding of these issues can help a developer of a renewable energy project raise the optimum amount of cash for equity and help both the developer and investor avoid any unwanted accounting surprises.

Summaries of each topic:

Transcript

[00:00:30] **Michael Novogradac, CPA:** Hello, I'm Michael Novogradac. And this is Tax Credit Tuesday. This is the April 19th, 2022 podcast. We have a great episode for you today, an episode that will focus on helping you better understand the significance of some key accounting issues facing renewable energy investors.

This episode is a must-listen for all renewable energy developers and investors. Now, unlike other community development incentives that typically have seasoned developers and investors, renewable energy transactions often have developers and/or investors who are new to tax incentives. Now for all investors, particularly those new to tax incentives, it's critically important that they understand the book accounting or GAAP, that is generally accepted accounting principles, and implications of their proposed and existing investments. For developers seeking to raise capital from corporate investors, it is important that they understand the accounting needs and concerns of their investors and the book income and balance sheet implications of various renewable energy tax credit structures.

Developers also need to understand the accounting implications on their own financial reporting of various project finance structures. Now gaining an understanding of these accounting implications can be daunting because there is a wide range of renewable energy tax credit structures, and consequently, a wide range of accounting issues for both investors and developers.

A good understanding of these issues can help a developer of a renewable energy project raise the optimum amount of cash for equity and help both the developer and investor avoid any unwanted accounting surprises.

In this podcast, we're going to review questions that Novogradac often gets from renewable energy developers and investors about the application of generally accepted accounting principles or GAAP to their tax credit structures.

That will obviously not be an exhaustive list of GAAP issues. There's more on that front than we can discuss in a single podcast, but we do aim to give you an overview of the main or the key issues that you should be aware of as a developer and as an investor.

I'm fortunate to have joining me in today's discussion my partner, Alvin Lee, from our San Francisco office. Alvin works with many renewable energy clients, helping them understand how accounting issues could shape their business strategies and negotiations. Alvin is also a member of the Novogradac GAAP Working Group, so he'll share some insights on some of the issues that the working group is trying to address.

If you're ready, let's get started. Alvin, welcome to Tax Credit Tuesday.

Understanding GAAP

[00:02:45] **Alvin Lee, CPA:** Great to be here, Mike.

[00:02:49] **Michael Novogradac, CPA:** So let's start with the basics. So I, in my intro, talked about the importance of renewable energy developers and investors knowing about GAAP accounting. Why?

[00:03:01] **Alvin Lee, CPA:** Yeah, I think it's really important to understand GAAP accounting primarily because these tax credit transactions are permanently structured to maximize the tax benefits to the partners as efficiently as possible. So oftentimes book and GAAP issues aren't at the forefront of issues investors and developers are looking at during the closing process. In addition, like you mentioned, transactions in your renewable energy tax credit investments utilize a variety of structures.

And there's also even a lot of variation within those structures. The terms can be very different and, depending on how these investments are structured, could have a significant impact on how to report or not by both the developer and the investor on the balance sheet and income statement. And quite often the unintended impact of some of these issues that we're going to talk about could become either a barrier or a hurdle for investors to invest.

[00:04:02] **Michael Novogradac, CPA:** I was going to say, I think that's one of the critical points about what you're saying here is that you know, you can be very focused on the economics, the cash benefits of a transaction. And when I say cash benefits, I'm including the tax savings, and focus on those economics. And as you point out that you can go and negotiate all of that. But when it comes to the book reporting of the transaction, the GAAP accounting if you will, we'll treat that transaction in a certain way and that'll affect how it gets reported on the balance sheet and the income statement. So maybe you can share with the listeners, which is maybe what you were going to do before I interrupted you, how these renewable energy transactions can affect the company's balance sheet and how they can affect the income statement.

[00:04:49] **Alvin Lee, CPA:** Yes, that's right Mike. I think, you know, when we're thinking about these investments for generally accepted accounting principles, one of the first questions you have to ask, as an investor or developer is whether or not a partner will consolidate the investment. So in general, when we think about accounting for investments, there's usually three methods that could be utilized.

These are the consolidation method, the equity method of counting or the cost method. For the purposes of this discussion, we'll focus on the first two since the cost method is generally not applicable in most situations. Now, depending on whether you're using the consolidation equity method, this investment could be presented vastly differently on the balance sheet and income statement. Using the consolidation method, the partner or the reporting entity would consolidate all the assets and liabilities of the underlying investments and projects on the balance sheet. In contrast, using the equity method of accounting, you would only record or report a single investment line item in the balance sheet and this could obviously look very different for the developer or investor in this situation.

Moving on to the income statement, similarly, under the consolidation method, a reporting entity would include all the income expenses from the operations of the renewable energy investment or project its income statement. So think electricity, revenue and operation and maintenance expenses versus under the equity method of accounting or reporting entity would only recognize income, income or loss.

From the investment as a single line item on the income statement, I think here at this point, I want to make a quick, quick distinction here is that, and this, this is probably one of the first issues or run into, is that the income or loss from the equity method investment does not include the benefit of the tax credits.

Rather, particularly for public companies, the tax credits are reported as a reduction in tax expense. So this creates kind of a problem for investors, where we differentiate between pre-tax earnings and after-tax earnings. And so when we utilize the equity method of accounting the flow-through losses are included as pre-tax earnings are what we call above the line.

And then the tax credits are reported as a reduction in tax expense or below the line. And so we often refer to this as a geography issue. And this is just an example of how the method of accounting on these investments can vary quite significantly, depending on whether or not the investor developer has to consolidate the investment or use equity method of accounting.

Consolidation

[00:07:35] **Michael Novogradac, CPA:** So let's start with consolidation since it's often also referred to as when you consolidate you're grossing up the balance sheet, in the sense that rather than having a single line on the asset side of the balance sheet, you have, you know, all the assets of the entity on the balance sheet on the asset side, then you also have the liabilities of the entity on the liability side.

So your balance sheet is largely grossed up by that additional debt and then the additional assets in excess of your equity investment. So when you're dealing with that, and that consolidation question, how often are you finding investors wanting or not wanting consolidation? And how often are you finding developers wanting or not wanting consolidation? Or kind of said differently, in a typical case, investors will consolidate or the developer will consolidate or no one will consolidate. And what's your, what are you seeing in the transactions you're working on?

[00:08:35] **Alvin Lee, CPA:** Yeah, I think that's right. I think we want to sort of look over and answer the question of who and who will not consolidate.

Usually that question depends on whether the developer or investor has a controlling financial interest. And so, you know, in this situation, obviously the economics and business terms of the transaction will dictate whether or not you consolidate. But the consequences is, you know, like you said, whether or not you will be consolidating the assets and liabilities onto the balance sheet.

So in, in general, typically with the transactions we work on, the developer or the sponsor has a controlling financial interest due to their ability to develop the assets and manage the assets. So generally I think, that is the case. I would say 90% of the time the developer has to consolidate.

Structures do vary as we talked about. And I have definitely seen situations where the voting rights between the developer and investor are shared equally. And so in this case, neither partner would consolidate the investment. And this is probably less frequent. So I'd probably think it would be, less than 5 to 10% of the time.

[00:09:48] **Michael Novogradac, CPA:** What are the, some of the reasons that developers and investors may or may not want to consolidate.

[00:09:55] **Alvin Lee, CPA:** Sure. We'll start with the investors first. I think for the investors, I think the primary reason is, there is sort of an administrative burden of having to layer in or include the activity of the underlying investments or project company.

In addition to that, the investors might not want to commingle the renewable activity with the primary business of the investor, which may be lending or investing. And on the developer side, I think there are both reasons that developers would want to consolidate and would not want to consolidate.

I think for the reasons that they would, they would want to show the project assets on the books and consolidate the assets, essentially grossing up the assets. I think the general developers believe this represents the business and economics of their business and reflects the expectation of residual ownership of these projects.

Moving onto some reasons not to. So in general, developers also develop and construct these assets prior to contributing them or selling them to a joint venture or a partnership entity. And so for GAAP purposes, when you consolidate these assets onto the balance sheet, these assets are genuinely stated at the initial cost basis, rather than the sale price, which would be at fair market value.

So essentially the transfer of assets to the joint venture or partnership entity, it becomes an intercompany transaction, which is eliminated. And so for that reason, the assets on the books would be standard at a lower cost basis, which might not be as, as favorable. In addition, I think both the developers and investors don't necessarily see the economic purpose of showing assets on a cost basis rather than its expected fair value basis.

One more reason why the developer might not want to consolidate the investment is that when the assets and liabilities of the investment is included on the balance sheet, you also have to include the non-controlling interest of the investor. And so in this case that could present an additional burden and administrative costs to account for that non-controlling interest.

HLBV

[00:12:12] **Michael Novogradac, CPA:** Okay, Alvin. So it sounds like, in most cases, the investor's not consolidating and they'll be using the equity method. Now in the context of the equity method, there is this concept of hypothetical liquidation at book value or HLBV.

And that issue comes into play with the equity method. So I'm sure some of our listeners who have heard of renewable energy transactions have heard about HLBV, but many probably have not. So maybe you could describe for our listeners what HLBV is and how it relates to the equity method of accounting.

[00:12:48] **Alvin Lee, CPA:** Sure. I think I'll start with talking about the traditional equity method of accounting methodology in which income from the investments is allocated to the partners, generally based off of profit and loss allocation percentages. Now this becomes a little bit more difficult, if not impossible for renewable energy transactions, as they have varying profit and loss percentages over the life of the investment. And so the industry has adopted a hypothetical liquidation at book value method, which is prescribed by the accounting standards codification in situations where a liquidation-based approach may be more appropriate than a traditional equity method of accounting.

Renewable energy tax credit investments quite often have disproportional allocation of cash distributions, cash contributions, and varying profit and loss allocations, as I mentioned, which makes applying the traditional method of equity method of accounting problematic.

HLBV uses a balance sheet approach and in summary incorporates this three-step process. The first step is we assume the assets of the partnership are sold at GAAP net book value as of the reporting date. Next, we look at the liquidation provisions of the operating agreement and allocate the hypothetical gain or loss to each partner on top of each partner's respective tax capital accounts. It should get noted here that the liquidation provisions can vary quite widely, giving a variety of different results.

The next and the last step, three, we assume a liquidation in each partner's capital account including the allocated gain or loss in order to get each partnerships cap account to zero.

And the amount that is required to liquidate the partner's capital account is equal to the HLBV carrying value of each partner's interest. So as I just kind of went over here, the HLBV calculation blends in both tax and GAAP rules and methodologies, which makes the calculation quite challenging and involves underlying tax capital account mechanics, which are complex in itself and the liquidation waterfall provisions, which can be difficult to calculate, particularly if they include targeted yield provisions. So in summary, I think it's a complex method of accounting to implement due to the variances and differences and liquidation provisions of the operating agreements, there could be on a tenant unintended consequences that could impact the income statement of the investor, utilizing equity method of account.

[00:15:35] **Michael Novogradac, CPA:** So, how do you find this concept of HLBV affecting transaction deal structures? It seems, you know, cause obviously as you pointed out, you have to go beyond merely looking at your profit and loss allocation. You have to look at how assets would be distributed. Partners raw income would be allocated and assets distributed if you were to liquidate and you're doing this calculation, as of the end of every year, how does that end up affecting some of the transaction terms or deal structures?

[00:16:07] **Alvin Lee, CPA:** Yeah, I think to start off I've definitely seen situations where just the actual complexity and unpredictability of the flow-through losses become such a significant issue or a problem for the investors that may be sensitive to book or GAAP earnings or earnings per share that decide not to invest or contingent invest in these transactions.

I think dealing with these issues upfront definitely helps mitigate some of the heartburn involved and understanding the income and earnings profile from these investments. Some of the things you can do that could impact the structure is looking at the liquidation provisions. So the liquidation mechanics drive HLBV results.

So drafting liquidation provisions in such a way that could maybe have a more favorable or predictable results could be something that could be done during the negotiation process. Obviously, you can only modify this to the extent that the economic and commercial terms in a transaction are still as intended or as desired.

The next thing that can be done as well is to manage or the tax allocations in such a way that the tax capital accounts, which flow into the HLBV calculations can yield more favorable results. Again, this is also limited to, you know, what you can actually want to do from an actual business and tax outcome that is desired from the transaction.

[00:17:33] **Michael Novogradac, CPA:** That's an important point is this is affecting the economic rights of the parties. So that is a factor. There's the GAAP accounting, but there's also you know, the different risk-sharing that you have to negotiate. So I want to ask you in a moment, what other GAAP accounting issues that are hot topics right now, but before, I was wondering if you could share your thoughts, you said earlier about the geography issue in tax credits, being below the line as a general matter, but there's also the concept of the deferral method, with respect to ITC, where you end up reducing the basis of the asset by the amount of the credits. And maybe you could share any thoughts you have about the interaction of the deferral method, with the HLBV calculations and the geography issue.

[00:18:26] **Alvin Lee, CPA:** Yeah, I think the deferral method helps eliminate the geography issue in such that the tax credit is recognized as a reduction of the investment.

But the investment itself still needs to be continued to be accounted for using the HLBV method. And so in this situation, depending on the timing of the tax credits and the timing of the tax benefits, the reduction of the investment by the ITC would actually reduce the investments such that you would recognize a gain for HLBV purposes when you look at the liquidation provisions. The liquidation provisions usually allocate a majority of the gain to the partner using residual percentages. And so there could be certain situations where there's a large allocation to the investors, such that the investor would recognize a large gain upfront during the earlier years of their investment, and then have to recognize write-downs in the investment late in the life of the investment. So this isn't necessarily a bad thing in terms of geography, but then it creates this unpredictability and often, a weird result when it comes to the earnings profiles of these investments, which could create confusion and an administrative burden for the investors to account for.

[00:19:44] **Michael Novogradac, CPA:** Well, thank you for that. I mean, it just really emphasizes the importance of understanding what approach is going to be used and what the transaction structures are, the deal terms and running those financial models, which I know you spent a lot of time doing that aren't just the after-tax yields, both cash and tax benefits, but also focusing on what the book earning profile is, and not just cumulatively, but the cumulative part is probably easy.

It's the annual impacts that become more challenging. And then obviously once you've started, you have to do the periodic updates of the HLBV calculations. And how often do you find those calculations have to be done for most investors?

[00:20:36] **Alvin Lee, CPA:** Quite often. I would probably say the majority of the time the investors would need to report that on a periodic basis, whether on a quarterly or a monthly basis.

So we do spend a lot of time working with both the developers and investors on HLBV calculations for reporting purposes.

Other GAAP Issues

[00:20:44] **Michael Novogradac, CPA:** So I did say I want to go beyond balance sheet income statement issues. so what other GAAP issues—I know there are a lot out there—so maybe just touch upon a couple of GAAP issues that are hot topics right now for investors or developers.

[00:20:59] **Alvin Lee, CPA:** Yeah, I think, the main thing on my mind is the new lease standards, under ASC 842. This is, will probably be the biggest impact for a lot of our clients and this really, this new guidance really impacts operating leases for lessees that will now have to record an on-balance sheet right-of-use asset and a lease liability where previously they only had to record a rent expense.

This is relevant for commercial- or utility-scale projects where the land is not owned by the project company, but rather there's usually a long-term agreement to lease the site or land on which the project sits. Each lease historically as I said, are recorded as operating leases were required to be recorded on balance sheet.

And there are also new disclosure requirements around the lease asset liability and lease expense that would need to be included. And the standard is effective for the year 2022. So it's definitely something our clients should be looking at right now.

Revenue Recognition

[00:22:01] **Michael Novogradac, CPA:** But I don't think this podcast would be a complete, at least the GAAP podcast would be complete, without talking about revenue recognition.

So what are some of the core issues around revenue recognition that you think our listeners should know about?

[00:22:17] **Alvin Lee, CPA:** Yeah, I think, it also goes back to the new lease standard. So with new renewable energy transactions, the electricity that's generated, it's sold to an off taker by the producer. And usually these contracts are structured as power purchasing agreements.

So anytime you evaluate these contracts for revenue, the first step usually is determining whether the contract is a lease and this usually leads to an evaluation on whether or not the contract and based it right to control the use of the property. So historically these PPAs have been, under the old lease standards, have been classified as operating leases.

But this could change under the new lease standard. And so that would sort of move you to step two, which is to recognize revenue recognition on these power purchase agreements under the new revenue recognition standard under ASC 606. And so without getting into it too deeply, I think, there's a lot of new guidance there that, that needs to be evaluated that could be impactful this year as a lot of these contrast historically, that would be under the old lease standards now we need to be accounted for under the new revenue recognition guidance. In addition, you know, there are other with renewable energy, there are other forms of revenue, including sales renewable energy sector certificates, various state and local incentives in the form of rebates or production-based incentives.

So all of these need to be evaluated in the new lease and accounting standards for revenue recognize. In addition, I also help a lot of developers who sell solar energy systems. So these renewable energy projects quite often are sold during various stages of development from notice to proceed, effectively when construction could begin, substantial completion all the way through commercial operation. Under the new revenue recognition standard they use sort of a new model, which looks at performance obligations. And so the timing of when you recognize revenue has been a big issue with developers, we work on who sell these solar energy systems.

GAAP Working Group

[00:24:28] **Michael Novogradac, CPA:** So, thank you very much for that. And, speaking of revenue recognition, that's a good segue into the next topic that I have that I mentioned earlier about the Novogradac GAAP working group. And our partner, Brad Elphick, out of our greater Georgia office, heads up that working group.

But I know you've been spending a lot of time working with Brad as part of an effort of our GAAP Working Group on the tax treatment of real energy investments. So maybe you could share with the listeners what the focus of this working group is and how it might be beneficial if we could get the Emerging Issues Task Force to move forward in ways that we're trying to get them to move.

[00:25:14] **Alvin Lee, CPA:** Yeah, I think, one thing that's been available specifically to low-income housing tax credit investments is an alternative method of accounting, what we call the proportional amortization method. In summary, the investment is allowed to be amortized over the tax credit period based on future expected benefits. So this is very different from what we see in the renewable energy tax credit transactions we're reporting to center how about the hypothetical liquidation and book value.

And another main issue that this also solves is the geography issue we were talking about earlier. So currently our working group has been heavily involved in working with the EITF or the Emerging Issues Task Force and its consideration on expanding the guidance, and its availability to be used for other community development tax credits, including renewable energy tax credits. And so this would be significantly changed if accounting for these types of investments, which would solve a lot of the unpredictability and unfavorable accounting that could be a barrier or hurdle for investors. And so we're very excited to be working on this issue. I think there's still a lot that needs to be done, but looking forward to how this could develop.

[00:26:38] **Michael Novogradac, CPA:** So, let me try to summarize what the potential impact if the EITF does move to expand proportional accounting to a renewable energy tax credit ITC transaction, and assuming that it would not only expand the eligibility, but that the transaction itself would also qualify. And I'm not going to go into all those details here, but if proportional amortization was available, then it seems to me that under guidance if you're using the deferral method, you're basically reducing the cost of the asset by the amount of the credit for the most part. And then as a consequence, above the line, you're going to end up reporting income wherever you've got a net economic profit is in the transaction over the course of your investment.

However, that recording of income can be very lumpy, if you will, the earning profile as you called it, you know, could be certainly not level, but it would be above the line and you wouldn't have a below the line, effect but you would have to go through and do HLBV calculations monthly or quarterly, or certainly with a high degree of frequency as you were making those calculations.

But that, that as opposed to doing it that way, there would be this alternative approach for proportional amortization, which would basically take all that activity that's moving its way above the line and put it below the line, inside a tax provision and do it in a proportion amortization way, such that the periodic HLBV calculations wouldn't need to be done and have a much more predictable effect on your income tax expense. So I just said a lot there. How did I do?

[00:28:24] **Alvin Lee, CPA:** Very, very good. I think, you know, there's so much to unpack there. I would definitely encourage listeners, if they're very interested in this, to go back to the recent podcast you did on January 8th with Brad. I think you walked through a lot of the criteria and issues in very high detail.

And I agree this would have a major impact on how these investments are accounted for and would be a significant benefit to investors if it can be utilized.

[00:28:55] **Michael Novogradac, CPA:** I would just encourage our listeners, if you're interested in learning more about the working groups. They're not just covering just renewable energy. They're also addressing, trying to make proportional memorization available to more types of community development credits like historic tax credits, like the new market tax credits. And if you're interested, please email Alvin or me or my partner, Brad Elphick, we'd love to have more members of the working group. So thank you Alvin for sharing your insight on the podcast.

And I'm sure that some listeners are going to want to reach out to you. We covered a lot and, kudos to all the listeners who are still listening when we're talking about GAAP issues. So you saw the, you recognize the benefit in understanding the GAAP issues. If you're a developer on how to raise capital, best raise capital and report on your own balance sheet and your own income statement as accurately as possible, and also for investors to avoid any surprises. But, Alvin, please share your email address.

[00:29:54] **Alvin Lee, CPA:** Sure. You can reach me at Alvin.Lee@novoco.com.

Exit

[00:30:00] **Michael Novogradac, CPA:** Great, thank you very much and hang around for our Off-Mike section, but to our listeners, I do invite you to register for the Novogradac 2022 Spring Renewable Energy and Environmental Tax Credits Conference. That's going to be held in Denver. That's May 19th and 20th, just a month away. And for a separate registration fee, we also offer a preconference project finance primer workshop. You can attend both the workshop and the conference for a chance to learn more about renewable energy finance, get topics and strategies, and obviously network and learn about a lot of other issues as well.

I'll include a registration link in today's show.

And on the topic of upcoming podcast episodes, next week I'll work with my partner and income limits expert Thomas Stagg on a podcast episode to discuss the release of the fiscal year 2022 income limits. We'll go into detail during that podcast as to the most important storylines related to those income limits.

You can make sure that you're notified of that episode and each week's episode, by following and subscribing to the Tax Credit Tuesday podcast, simply go to www.novoco.com/podcast.

To subscribe to and stream the show on our website. You can also follow or subscribe to Tax Credit Tuesday on iTunes, Spotify, Google Podcast, Stitcher and Radio Public.

Off-Mike

Now I'm pleased to reach our Off-Mike section where listeners can get some off-topic advice and words of wisdom from our podcast guests.

So Alvin, I always love thinking about productivity hacks or, you know, some go-to productivity app, things of that nature. So I wanted to ask you if you had a go-to productivity app or hack.

[00:31:42] **Alvin Lee, CPA:** Yeah, I think, time management's always been a focus for me, but as I get older, I find that energy management is actually more of an important topic for me. I think, you know, with time you're always limited, but energy is renewable. Sorry for the pun there. And I recently watched a UC Berkeley lecture entitled "The Science of Energy Management," which focused on helping you schedule your day, depending on your chronotype, essentially, which is whether you're a morning poised person or a night owl or something in between.

And so for myself, my peak hour is actually around 9 to 2 p.m. And then again to 6 to 9 p.m. So I try to match my schedule a little bit so that I do my work where I need to be, more focused and, you know, whether I'm solving logical problems or not during those times, and try to schedule meetings and conferences outside of those hours. So that's been very helpful for me.

[00:32:39] **Michael Novogradac, CPA:** And how do you decide what you are? Is there a like online test you take or something or they ask a series of questions?

[00:32:47] **Alvin Lee, CPA:** Yeah, in general, it breaks down there. There are sort of tests online where they could determine whether or not you're more of a morning person or a night owl.

For most of us, we kind of already know. But what is interesting though, is it, it definitely does show you when you get your energy and when you kind of have a downtime, there's different peaks of, when you have, more ability to focus and better at fighting distractions, which is a difficult thing to do.

[00:33:13] **Michael Novogradac, CPA:** So do share a link or two that we can put on the website that we can share within our show notes, that we can share with listeners. So those that want to follow up and find out more about that—and I know that I do—so give that link and see what I can learn.

[00:33:32] **Alvin Lee, CPA:** Sure. I believe the lecture is actually online. So I'll share that link and you can watch for yourself.

[00:33:38] **Michael Novogradac, CPA:** So now that, given that we're in the midst of spring and spring is a time to do spring cleaning. Are there any spring cleaning or organization tips that you have to share?

[00:35:50] **Alvin Lee, CPA:** Yeah. I try to keep my house as tidy as possible, which is, a difficult with kids at home. They're 3 and 5 and, you know, I'm actually a Marie Kondo fan and her methodology is, you know, if the item doesn't spark joy in your life, then you should get rid of it. But this is very hard to do with my kids as a everything sparks joy for them, at least for an hour where they find something else to be interested in.

[00:34:20] **Michael Novogradac, CPA:** So another, a favorite of mine and something that the one thing COVID-19 ended up getting me back on course doing is doing a lot more reading, as well as, I'm a big Kindle fan and big Audible fan. So I guess I should say reading as well as listening. But, is there a book or two, but is there at least a one book that you think everyone should read?

[00:36:43] **Alvin Lee, CPA:** Sure I think "Dune" immediately comes to mind. Now, "Dune" the movie this year was nominated for 10 Oscars and won a lot of them. But as the old adage goes, the book is always better. And, I've been meaning to re-read that book for a long time. One of my all-time favorites and probably widely considered to be one of the best, classic science fiction books of all time. So I definitely would recommend that if you haven't read it because the book was better than the movie.

[00:35:16] **Michael Novogradac, CPA:** And why would you choose that title? Would you read it? Why, why would you think someone should read "Dune?"

[00:35:22] **Alvin Lee, CPA:** I think it is very interesting, you know, if you're interested in sci-fi, but in addition to that also weaves in a lot of politics, religion, ecology, technology in a setting of a faraway planet. And so I think, it's a very fun read, I think for myself. I've re-read that book many times. So I think it's a must read.

[00:35:45] **Michael Novogradac, CPA:** Got it. I'll add it to my list. I have not read it. It's been on my list before. I'll move it up.

So, thank you again, Alvin for joining us on the podcast.

I really appreciate you making the time, particularly on Tax Day to make this recording. To our listeners, I'm Mike Novogradac. Thanks for listening.

Additional Resources

Email

Alvin.Lee@novoco.com

Conference

Register for the Novogradac 2022 Spring Renewable Energy and Environmental Tax Credits Conference

Working Group

Join the GAAP Working Group

Chronotypes

Chronotype Chart: Biological Chronotypes and Optimal Day Design.pdf

Chronotype Survey: My Chronotype Home

Lecture: 2021 Berkeley Haas Homecoming - YouTube