

Federal Tax Credits

- ❖ Renewables
 - Solar energy systems, residential wind turbines, geothermal systems
 - Tax Credit equal to 30% of costs with *no upper limit*
 - Fuel cells
 - Tax Credit equal to 30% of costs up to \$500 per .5 kW of power capacity
 - These credits apply to existing home retrofits and new construction and expire on December 31, 2016

- ❖ Energy Efficiency
 - Tax Credit equal to 30% of costs *up to \$1,500*:
 - Biomass stoves, HVAC, Insulation, Roofs, Water Heaters, Windows & Doors
 - Installation costs included in credit for some products (i.e., biomass stoves and HVAC)
 - These credits apply *only* to retrofits of the applicant's principal residence and expire on December 31, 2010

- ❖ Commercial Property
 - Businesses can take a tax deduction (up to \$1.80 per square foot) for new or renovated buildings by reducing the energy costs by certain amounts.
 - For solar installation, business can take their tax credit (30%) as a grant from the federal government and receive cash in hand as well as accelerated depreciation (5-year MACRS)

- ❖ http://www.energystar.gov/index.cfm?c=tax_credits.tx_index



State Tax Credits

- ❖ Solar Tax Credit
 - 30% of the cost to purchase and install the system; capped at \$2,000. Eligible technologies include systems that use solar energy to generate electricity, heat or cool a residence, or provide hot water or solar process heat for use in the residence

- ❖ <http://dsireusa.org/> (State tax credit and incentive programs for all 50 states!)

Financing Energy Projects

- ❖ Energy Efficient Mortgage ("EEM")
 - An EEM is a mortgage that credits a home's energy efficiency in the mortgage itself. EEMs give borrowers the opportunity to finance cost-effective, energy-saving measures as part of a single mortgage. EEMs are typically used to purchase a new home that is already energy efficient such as an ENERGY STAR qualified home.

- ❖ Energy Improvement Mortgage ("EIM")
 - An EIM is generally used to purchase existing homes that will have energy efficiency improvements made to them. EIMs allow borrowers to include the cost of energy-efficiency improvements to an existing home in the mortgage without increasing the down payment. EIMs allow the borrower to use the money saved in utility bills to finance energy improvements.

- ❖ http://www.energystar.gov/index.cfm?c=bldrs_lenders_raters.energy_efficient_mortgage