

New Federal Incentives for Solar Energy Efficiency

The Economic Stimulus Bill signed into law on February 17th, 2009 has resulted in several important new incentives and measures to stimulate energy efficiency and solar energy development, manufacturing, installation and operation in the United States.

Tax Credit Cap eliminated for Solar Electric (PV) and other Energy Efficiency systems: The Residential Energy Efficient Property Credit is a nonrefundable energy tax credit to help individual taxpayers pay for qualified residential alternative energy equipment, such as solar electric (PV) systems. The new law removes some of the previously imposed maximum amounts and allows for a credit equal to 30 percent of the cost of qualified property.

"Subsidized energy financing" removed from Investment Tax Credit (ITC) calculations. The Stimulus Bill (of January 2008) states: *For purposes of determining the amount of expenditures made by any individual with respect to any dwelling unit, there shall not be taken into account expenditures which are made from subsidized energy financing (as defined in section 48 (a)(4)(C)*). And the term "subsidized energy financing" (in section 48 (a)(4)(C)) means, financing provided under a Federal, State, or local program a principal purpose of which is to provide subsidized financing for projects designated to conserve or produce energy.*

NOTE: If your Rebate comes from a Utility, you may need to subtract the rebate amount from the system cost to determine the cost basis for the Investment Tax Credit. *Source:* EnergyStar.gov:

I am eligible for both a rebate and a tax credit - can I take both?

TIP: Use OC Property Services, Inc solar professionals to help you understand the full spectrum of tax credits, deductions and energy production incentives that may be available to you. They are experts and on-top of the latest developments.

HELPFUL PDF'S AND LINKS:

 **[Energy Provisions of the American Recovery and Reinvestment Act of 2009 \(ARRA\)](#)**

 **[Energy-Saving Steps This Year May Result in Tax Savings Next Year](#)**

 **[IRS Form 5695 & Instructions: Residential Energy Credits](#)**

The **[Energy Star Program](#)** also has information related to tax credits Consumers (Home Improvements, Cars, Solar Energy Systems, Fuel Cells), Tax Credits for Home Builders, Tax Credits for Appliance Manufacturers, and Tax Deductions for Commercial Buildings.

There are many state, federal and local incentives available to help pay for the cost of installing renewable energy systems. Here is a **[Database of Grants and Rebates](#)**.

To help homeowners take advantage of the energy efficiency tax credits, the Alliance to Save Energy (ASE) has created a special tax credits Web site. ASE has also issued state-by-state energy saving tips for 37 states and the District of Columbia and has published a free consumer booklet of energy saving tips called "Power\$mart: The Power Is In Your Hands." See the **[ASE Energy Efficiency Tax Credits WebSite](#)** and the **[Power\\$mart Booklet](#)**.