

SHOW ME THE MONEY: INCENTIVES

The future of energy, now.



FEDERAL

FEDERAL TAX CREDIT - SOLAR

Business and residential tax credits of 30% of total installed cost of a solar electric and/or solar thermal water system, after other rebates/incentives are applied. Includes all parts and labor. No limit for business or residential. Same **business tax credit of 30%** is also available for solar thermal *air* systems (businesses only).

Installation must be completed before December 31, 2016. Tax credits can be carried forward to future years if all credits are not needed first year.

FEDERAL TAX CREDIT - WIND

Business and residential tax credit of 30% of the total installed cost of a wind turbine installation sized less than 100kW after other rebates/incentives are applied. Includes all parts and labor. No limit for business or residential.

Installation must be completed before December 31, 2016. Tax credits can be carried forward to future years if all credits are not needed first year.

USDA GRANTS AND LOANS

The USDA has annual solicitations for energy efficiency and renewable energy project grants and loans under the Farm Bill. It is a competitive process that begins each spring/summer and is reserved for ranchers, farmers, and rural small businesses. www.rurdev.usda.gov/BCP_Reap.html

FEDERAL - DEPRECIATION

Business may depreciate 50% of total cost of solar and wind systems during the 1st year if installed by December 31, 2012. Remaining 50% depreciated over an accelerated 5-year schedule. Consult your tax advisor for more information.

FHA, VA, AND CONVENTIONAL SOLAR MORTGAGES

Energy efficient mortgages can be used to pay for solar electric and heating technologies. www.nrel.gov/docs/fy99osti/26242.pdf

STATE OF MINNESOTA

SOLAR REBATE/UTILITY PROGRAMS

Many utilities offer grants and rebates for solar and wind energy as well as energy efficiency initiatives, including Xcel Energy, Minnesota Power, Great River Energy companies, and more.

MINNESOTA - NET METERING

Wind energy and solar electric systems less than 40kW in size are eligible for net metering, which means the utility must purchase at retail rates any extra renewable electricity produced.

MINNESOTA - SALES TAX EXEMPTION

Minnesota state sales tax exemption for all components of a solar energy system (solar electric and thermal) and wind power (Statute 297A.25). Buyers complete MN Dept of Revenue Form ST3 "Certificate of Exemption" found on <http://www.taxes.state.mn.us/> and sellers keep the form in their files for tax reference.

MINNESOTA - PROPERTY TAX

All wind power systems are 100% real and personal property tax exempt. Solar electric systems are 100% real property tax exempt. (Statute 272.02, Sub. 22, Statute 272.028, Statute 272.029)

NOTE: A small production tax was implemented in lieu of a property tax as follows: a) >12MW, 0.12 cents/kWh; b) 2-12 MW, 0.036 cents/kWh; c) 0.25-2 MW, 0.012 cents/kWh; d) <0.25 MW exempt.

MISCELLANEOUS FUNDING

OTHER FUNDING OPPORTUNITIES

Various funding opportunities are available for renewable energy and energy efficiency projects throughout the year. They are generally competitive in nature and are distributed on a regular basis via an e-mail distribution list and are available on the Minnesota of Commerce website: <http://mn.gov/commerce/energy/consumers>.

MORE INFORMATION

For details on any of these programs, visit the website: www.dsireusa.org. Sign up for the Zenergy newsletter to receive news of the latest funding opportunities: www.zenergyguide.com/contact



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