

Getting Green for Going Green:

A Summary of Select Energy Related Tax Incentives

Presented by Davenport, Marvin, Joyce & Co., LLP and the



triad
green building
council

NC Renewable Energy Tax Credit

- Tax credit of 35% of installed cost of certain renewable energy equipment.
- Credit for non-business property is capped at \$1,400 to \$10,500 per installation, depending on technology type. Up to \$2,500,000 for businesses.
- Primary technologies – Solar, Wind, Biomass, Geothermal, Hydroelectric.
- Cannot exceed 50% of tax liability, reduced by all other credits.
- Personal credit taken in year equipment put into service. Businesses claim over 5 years. Unused credit amounts can be carried forward for five years.
- Credits are set to expire 12/31/2015.
- Special provision allows nonprofits & governments to allocate credits to donors who contribute to renewable purchases.

Property Tax Exemption

- Property with solar heating/cooling cannot be assessed higher than if it had a conventional system.
- 80% of the appraised value of solar energy electricity producing systems are exempt from business property tax.
- Instruction regarding exemption procedure not yet issued. File Form AV-12 for business property to be safe.

Energy Efficient Commercial Building Deduction

- Up front deduction up to \$1.80/square foot for certain commercial building energy efficiency property.
- Qualifying property includes interior lighting systems, heating, cooling, ventilation, or hot water systems, and/or the building envelope.
- Energy savings must meet mandated levels and be certified in order to qualify for the deduction. Partial deductions are available.
- Deduction can be allocated to system designers for efficiency improvements to publicly owned buildings.
- Expires December 31, 2013.



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A Summary of Selected Energy Related Tax Incentives continued -

Federal Residential Renewable Energy Tax Credit

- Tax credit of 30% of installed cost of qualifying renewable energy equipment.
- Covers Geothermal, Solar, Small Wind, Fuel Cells up to \$500 per .5 kW.
- Equipment does not need to be at primary residence, except fuel cells.
- No longer limited by Alternative Minimum Tax.
- Non-refundable, but unused credits can be carried forward.
- Expires 12/31/2016.

Business Energy Investment Tax Credit

- 30% credit for solar, small wind, fuel cells (limited to \$1,500 per .5 kW).
- 10% credit for geothermal, micro turbine (limited to \$200 per kW), combined heat & power.
- Not limited by Alternative Minimum Tax.
- Becomes part of the general business credit.
- Depreciable basis reduced by half the credit amount.
- Expires 12/31/2016.
- Receipt of other public funding is allowed.

Useful Websites

www.triadgreenbuilding.org
www.dsireusa.org/
www.energy.gov/
www.energytaxincentives.org/
www.irs.gov/
www.dor.state.nc.us/
www.energystar.gov/



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Please be advised that, based on current IRS rules and standards, the advice contained herein is not intended to be used, nor can it be used, for the avoidance of any tax penalty that the IRS should assess related to this matter. This pamphlet represents only a brief summary of some of the available energy-related tax incentives and should not be considered tax advice. Each individual and business has a unique tax situation which will affect the utilization of any energy-related incentives. Contact a tax advisor to determine how your own circumstances will be affected prior to making any energy investment decisions.