

## Solar Tax Incentive Information Federal Government and the State of Georgia

- **Federal Incentive (Commercial Business):**
  - 30% Tax Credit (ITC)
  - In 2011 this tax credit **was** available as a tax grant. The Federal tax grant ended 12/31/2011.
  - The tax credit is available until 12/31/2016.
- **Federal Incentive (Residential):**
  - 30% Tax Credit (ITC)
  - Recovered on your Income Tax Returns
- **Modified Accelerated Cost-Recovery System (MACRS) Depreciation (Commercial Business Deduction):**
  - For 2012 you have 50% bonus depreciation. The asset will be depreciated in the first 5 years of ownership.
  - This may change, waiting on Congress to re-approve the 100% bonus depreciation experienced in 2011.
  - For more information on the federal MACRS, see *IRS Publication 946, IRS Form 4562: Depreciation and Amortization*, and *Instructions for Form 4562*. The [IRS web site](#) provides a search mechanism for forms and publications. Enter the relevant form, publication name or number, and click "GO" to receive the requested form or publication.
- **Georgia State Incentive: (see note below)**
  - 35% Tax Credit - the tax credit is equal to 35% of the cost of the system (including installation)
  - For renewable energy projects including solar.
  - The maximum credit for **commercial** businesses is \$500,000 per installation of photovoltaics (PV).
  - The maximum tax credit for **residential** homes is \$10,500
  - State cap of \$5,000,000 annually – need to act quickly to have access to funding.
    - The cap may have already been assigned, please call the Georgia Department of Revenue for an update to this credit.
  - Rewards on a first-come, first-served basis based on installation date.
  - Taken over 4 years - equal installments
  - Here is the link describing the tax credit <http://www.gefa.org/Index.aspx?page=438>
  - **NOTE: As of January 2013 the GA Clean Energy Tax Credit is no longer accepting applications. All funds through 2014 have been accounted for.**