



A quick introduction to the solar ITC

What is it?

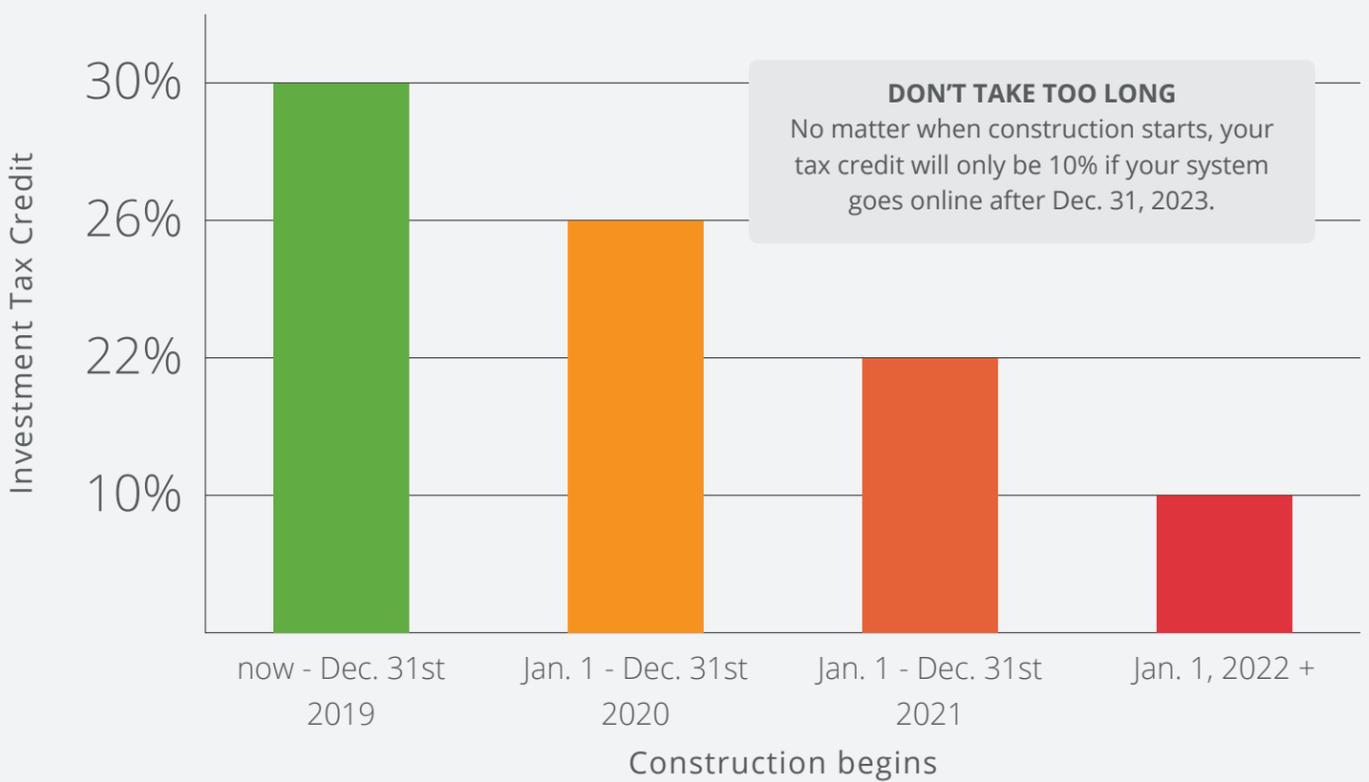
The Federal Business Energy Investment Tax Credit (ITC) is a potential tax credit for companies that invest in eligible renewable technologies (such as solar). The credit, which is applied to your income tax debt, is equal to a percentage of the cost of eligible equipment.*

The ITC delivers a dollar-for-dollar tax reduction in the income taxes that a company would otherwise owe.*

(e.g. A \$30K tax credit means you pay \$30K less in taxes)

How much is it?

That depends on when you start construction (and when you start generating electricity). The solar ITC is on a step-down plan, with the first step down occurring on Jan. 1, 2020. So the sooner you act, the more you can save.*



When do I receive my credit?

Eligible organizations can claim the ITC on their income taxes beginning the year their system becomes operational (i.e. when it starts producing energy).*



All-at-once

If you wish, you may claim all your credits for the first year of operation.



Over time

Any unused credits may be rolled over to future years, for as long as the ITC is in effect.

Do I need to purchase my system?

You may not have to buy a solar system outright to take advantage of the ITC. It's possible to claim the credit with a solar loan, and some installers may pass along savings as part of a solar lease or PPA.*



Purchase

You own the system, energy and tax credits.*



Lease + PPA

Some installers pass along savings as part of your contract.



Loan

You may be entitled to the full ITC credit (even if you put \$0 down).*

*Depending on your organization's individual circumstances, you may or may not qualify. Consult your tax advisor regarding the solar ITC and how it applies to your specific circumstances. Tax credits are subject to change. Please visit the dsireusa.org website for detailed solar policy information.

