

## LET UNCLE SAM HELP YOU BECOME ENERGY EFFICIENT

If getting more energy efficient at home or work is on your to-do list, let Uncle Sam help get things kick-started with some timely tax incentives.

One example: you can claim a tax credit equal to 30% of the cost of a qualified solar-electric system if the system is installed this year. In some cases, you have to follow special rules. For instance, solar water heating property must meet certain performance criteria and cannot be used for a swimming pool or hot tub.

Other energy technology is credit-worthy too. Small wind-energy equipment and geothermal heat pumps provide a 30%-of-cost tax credit - but for 2016 only. Qualified fuel cell property is also eligible for a credit of 30% of your cost if placed in service in your principal residence before December 31 of this year.

Looking for something less exotic? Qualified biomass or wood burning stoves, central air or furnace systems, heat pumps, and non-solar water heaters can result in a \$300 tax savings. You may also be able to deduct 10% of the cost of insulation and a new roof, up to a maximum credit of \$500. The 10% credit also applies to windows, doors, and skylights, but the maximum credit is \$200.

Your business can harvest energy-related tax credits too, but with important distinctions from residential credits. Business investment in solar property provides a similar 30% tax credit. However, the credit rate is based on when construction begins, not when the property is placed in service.

Business investment in qualified fuel cells is capped at \$1,500 per half kilowatt hour of capacity. Geothermal systems are eligible for a smaller 10% credit, and a 30% business credit exists for large scale wind projects in 2016.

Before you start your next energy-efficiency project, contact our office for more details about available tax incentives.