



# BUILD IT BACK GREEN

## State and Federal Incentives



### State Solar and Wind Energy Tax Credits

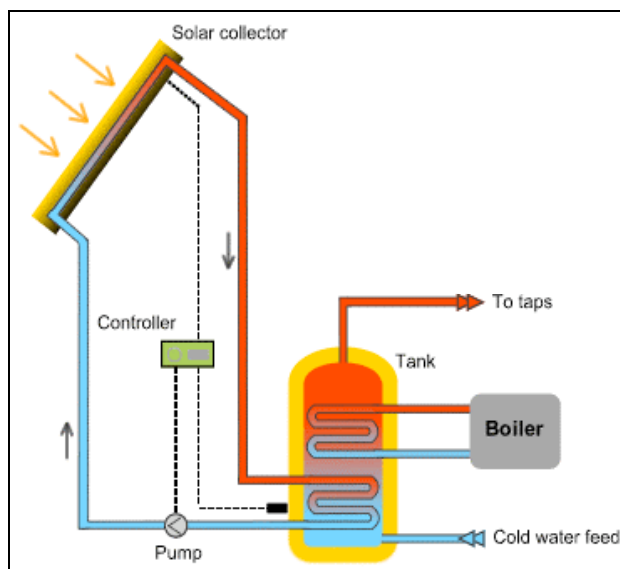
Louisiana authorized a personal tax credit for the purchase and installation of wind and solar energy systems on single and multi-family residential units. The credit can be applied to solar-electric systems (photovoltaic panels) and solar-thermal systems (solar water heating, thermal energy heating and cooling, and solar pool heating). The credit can also be applied to wind systems designed to produce electrical or mechanical energy.

The credit is equal to 50% of the first \$25,000 spent on each renewable energy system -- including installation costs -- that is purchased and installed beginning January 1, 2008. The maximum credit is \$12,500. If the credit exceeds the taxpayer's liabilities for that year they will receive a check for the remaining amount. The credit may be used in addition to any federal tax credits earned for the same system. **There is currently no credit deadline, but there is no guarantee that the law will not change in the future.**

**Contact:** LA Department of Revenue, P.O. Box 201, Baton Rouge, LA 70821-0201, (225) 219-0067 ext. 4. LAC 61:1.1907



Solar Panels



Solar Water Heater Diagram

# State Home Energy Rebate Option (HERO)

The Louisiana Home Energy Rebate Option (HERO) offers a cash payment of up to \$2,000 for Louisiana residents who make energy improvements of 30% or more to existing homes. HERO is a component of the Louisiana Department of Natural Resources' Home Energy Loan Program. HERO is available to any Louisiana homeowner.

Applications for the Home Energy Rebate Option are made through a certified Louisiana Home Energy Rater. A list of raters can be found on the Louisiana Department of Natural Resources' web site. A home energy rating performed by a certified Louisiana Home Energy Rater is required on all homes before and after the energy improvements. This rating determines the level of energy savings, which determines the rebate quantity. The rebate will be either 20% of the cost of the energy efficient items/improvements or 20% of the present value of the energy saved by the energy efficient items/improvements made to the home.

**Contact:** Louisiana Department Natural Resources website: <http://dnr.louisiana.gov>

## Federal Solar Tax Credit

The Federal government established a 30% tax credit for the purchase and installation of residential solar electric and solar water heating systems. The 30% credit has no cap and applies to both photovoltaic systems AND solar water heating property for water used inside the home. The system must be installed before December 31, 2016.

## Federal Energy Efficiency Tax Credit

The federal government established a 30% tax credit for energy efficiency improvements on existing homes for certain doors, windows, roofs, insulation, HVAC systems, water heaters, and biomass stoves up to \$1,500 total installed from January 1<sup>st</sup>, 2009 through December 31<sup>st</sup>, 2010. For more information visit: [www.energystar.gov](http://www.energystar.gov).

## Typical Cost for Solar Energy Installations

- \$25,000 ≈ 3 Kwh photovoltaic system (at \$8-9/W)
- \$3,000 ≈ typical solar thermal application

Using the typical \$8/W installed (\$12k/1.5kW), the subsidized simple payback for a photovoltaic system is about 16 years: \$4k/(\$250/year). The subsidized payback on solar hot water is 3-4 years. Batteries add about 25% to the cost of a photovoltaic system. In New Orleans, batteries are convenient in times of power outages, but they do not have environmental or financial advantages.

**Note:** Always consult a tax professional to ensure you comply with the legal requirements to receive the maximum tax credit. Go to [www.dsireusa.org](http://www.dsireusa.org) for more information on renewable energy and energy efficiency incentives.