FEDERAL INVESTMENT TAX CREDIT – ITC

ADVANTAGES OF BUYING (OWNING) SOLAR
Explanation of the Federal Investment Tax Credit

Anyone who wants to totally eliminate their utility cost should consider investing in solar energy. With inflation rates ranging from five to 9% depending on who is providing the numbers, it makes sense to invest this year rather than waiting until next year, the credit is 30% off taxes owed.

You can get solar in two ways: cash out or financing. The straight cash out option is simple; no credit is required, only a deposit up front, and the balance is due after the job is completed.
Financing, despite relatively high interest rates, makes sense for many people who will receive money in the following 12 to 16 months.

There is no upfront cost for financing; only requirement is a soft credit check, with no effect on your credit rating, needing a 670 credit score. Normally monthly payment is less than what you currently pay to the utility.

Warranty Protection. Whether you buy outright or with financing, you get a complete 25-year warranty on the panels, inverters, electrical wiring, and roof racking.

These warranties have no deductibles, so you will never have to pay if anything needs to be done. Because the installer company is located in the valley any service that might be required is normally completed within 72 hours. So you can be on vacation with no worries.

Roofing warranty. Every installation includes a multi-year $500,000 policy. No system is installed until a comprehensive roof inspection verifies it is safe to install. This provides our customers with peace of mind. The solar panels, inverter, racking system, and wiring are manufactured in the USA.

Tax advantages. The federal government has implemented a 30% tax credit for all solar purchases, whether cash or financing, only condition is having taxable income. Tax break includes a five-year rollover.

The ROI varies depending on the system's size and usage. At the time of our Solar Discovery Meeting we present the numbers and then can discuss ROI, which now is averaging 6-8 years.

Equity value. If you ever want to sell your home, the latest studies from the University of California, Berkeley and Zillow®, equity value increase ranges 4.1%-9%.

These studies reveal easy selling because your home as solar homes always stand out from non-Solar homes; your home will have little or no utility payment compared to high cost utility payments on homes without solar.

Our experience in the valley has shown that out-of-state home shoppers favor buying solar homes with reduced energy costs.

Many real estate brokers recognize the value of listing and discovering solar properties for their clients. There are currently 200,000 solar homes in Arizona, more being installed daily.

Federal Investment tax credit A brief history

In 2022 it was renewed by Congress to financially assist Americans in becoming more energy efficient. It provides IRS tax incentives for renewable energy. Investment tax credit is 30% and can be rolled over for up to five years against taxes owed, W-2, 1099 or investment income – the program expires 2032.

Solar done right

We conclusively demonstrate renewable energy is a smart investment combined with the ITC.

Look around. On almost every block are solar installations. The reason is renewable energy is far less expensive than the ever increasing utility energy. Energy produced on your own roof dramatically reduces or completely eliminates the 16+ fees, taxes, and surcharges on every bill which amount to 50 to 65% of the bill! Even better under ITC - we can add Tesla® Powerwall to store energy to power your home 24 hours a day without using any expensive utility energy; you become independent of the grid!

Roof Facts

In areas where roofs are 20 to 30+ years old, roof experts agree that the underlayment is at or nearing the end of its life. The enemy of long roof life in Arizona is not rain, mold, but it is the unrelenting summer heat which dries out underlayment and dramatically shortens roof integrity.

Average cost for a roof repair for a 2000-3000 square-foot house can be between $15,000 to 30,000+. The new underlayment materials are considerably better than when your house was constructed. We quote felt, rubberized, and synthetic with warranties of 25 years to lifetime.

Summary roofs. An expense to replace, but at some point, totally necessary wise investment.

Roofs, Solar and the ITC 30% Incentive

When a roof repair is combined with a solar installation both qualify for the 30% tax credit.
This is an enormous incentive as nationwide and here in Arizona average savings on your utility bill when switching to solar is substantial with and best of all equipment is USA made.
Note: There is no ITC deduction for roofs without doing solar.
Fact: Thousands saved on roof repair allowing for a great ROI for a solar + roof project.
Fact: Solar savings for energy bill on a 2000 square-foot house is $10-$15,000 in just 10 years!

Final Thoughts. Remember no matter the roof quote, even one at a great price, it will be reduced 30%; thousands of dollars in your pocket that when applied against the cost of a solar system it reduces the cost significantly - a very smart investment. Average equity value increase of 4.1-9% Zillow™

Solar Suitability Analysis. The first step is we gather simple utility usage information for the solar part. For the roof part (repair or underlay replacement) we obtain two roof quotes from our certified roofing contractors, experts in solar integration (you're welcome to obtain one on your own for comparison). We create a Savings Report. When our analysis is done we arrange an in-person home meeting with plenty of time for questions or concerns to go over in detail our findings.

Homeowner’s Guide to the Federal Tax Credit for Solar Photovoltaics

Disclaimer: This guide provides an overview of the federal investment tax credit for residential solar photovoltaics (PV). It does not constitute professional tax advice or other professional financial guidance and may change based on additional guidance from the ***Treasury Department****. Please see their* ***published Fact Sheet*** *for additional information. The below guide should not be used as the only source of information when making purchasing decisions, investment decisions, tax decisions, or when executing other binding agreements.*

U.S. DEPARTMENT OF ENERGY

What is a tax credit? A tax credit is a dollar-for-dollar reduction in the amount of income tax you would otherwise owe. Example, claiming a $1,000 federal tax credit reduces federal income taxes due by $1,000.

The federal tax credit is sometimes referred to as an Investment Tax Credit, or ITC, though is different from the ITC offered to businesses that own solar systems.

What is the federal solar tax credit? The federal residential solar energy credit is a **tax credit** that can be claimed on federal income taxes for a percentage of the cost of a solar PV system paid for by the taxpayer. Other types of renewable energy are also eligible for similar credits but are beyond the scope of this guidance. The installation of the system must be complete **during the tax year**. In August 2022, Congress passed an extension of the ITC, raising it to 30%, expiring in Dec. 2032. There is no maximum amount that can be claimed.

Am I eligible to claim the federal solar tax credit?

You might be eligible for this tax credit if you meet the following criteria:

*Your solar PV system was installed between January 1, 2017, and December 31, 2032.

*The solar PV system is located at a residence of yours **in the United States**.

*You **own the solar PV system** (i.e., you purchased it with cash or through financing but you are neither leasing the system nor nor paying a solar company to purchase the electricity generated by the system).

*The solar PV system is new or being used for the first time.

The credit can only be claimed on the “**original installation**” of the solar equipment.