

## **Florida State Solar Energy System Incentives Program**

### **Incentive Type:**

State Rebate Program

### **Eligible Renewable/Other Technologies:**

Solar Water Heat, Photovoltaics, Solar Pool Heating

### **Applicable Sectors:**

Commercial, Residential, Nonprofit, Schools, Local Government, State Government, Fed. Government, Multi-Family Residential, Institutional

### **Incentive Amount:**

PV: \$4/watt DC; Solar Water Heaters: Residential - \$500; Non-residential & Multi-family - \$15 per 1,000 BTU; Solar Pool Heaters: \$100

### **Maximum Incentive:**

PV: Residential - \$20,000; Non-residential - \$100,000

Solar Water Heaters: Residential - \$500; Non-residential & Multi-family - \$5,000

Solar Pool Heaters: \$100

### **Eligible System Size:**

PV: 2 kW and larger

Solar water heating systems must provide at least 50% of a building's hot water consumption

### **Equipment Requirements:**

All solar energy systems sold in Florida are required by Florida law (FS 377.705) to be approved by the Florida Solar Energy Center

### **Installation Requirements:**

PV: Must be installed by a licensed master electrician or state-licensed electrical or solar contractor

Solar Water and Pool Heaters: Must be installed by a state-licensed solar or plumbing contractor

### **Program Budget:**

\$2.5M for the FY 2006-2007

**Web site:** <http://www.dep.state.fl.us/energy/>

**Note: Rebate applications and draft rules are now available on the program website above.**

Florida's *Solar Energy System Incentives Program* was established in June 2006 (SB 888) to provide financial incentives for the purchase and installation of solar energy systems from July 1, 2006 through June 20, 2010. A total of \$2.5 million is available for the 2006-2007 fiscal year, with future funding subject to appropriations.

The program, administered by the Department of Environmental Protection (DEP), provides rebates to Florida residents, businesses, non-profits, and public facilities who purchase and install a new PV system of 2 kW or larger, a solar water heating system that provides at least 50% of a building's hot water consumption, or a solar thermal pool heater. The incentive amounts for each solar technology are as follows:

### **Solar Photovoltaic Systems**

- Residential: \$4 per watt DC up to \$20,000
- Commercial, Non-profit, Multi-Family, or Public Facilities: \$4 per watt DC up to \$100,000

### **Solar Water Heating Systems**

- Residential: \$500 per installation
- Commercial, Non-profit, Multi-Family, or Public Facilities: \$15 per 1,000 BTU up to \$5,000 (BTUs must be metered)

### **Solar Thermal Pool Heaters**

- \$100 per installation

Applications for the rebate must be made within 90 days after purchase of the solar energy equipment.

## **Federal Residential Solar and Fuel Cell Tax Credit**

### **Incentive Type:**

Personal Tax Credit

### **Eligible Renewable/Other Technologies:**

Solar Water Heat, Photovoltaics, Fuel Cells

### **Applicable Sectors:**

Residential

### **Amount:**

30%

### **Maximum Incentive:**

\$2,000 for photovoltaics and solar water heating; \$500 per 0.5 kW for fuel cells

### **Carryover Provisions:**

Excess credit may be carried forward to succeeding tax year.

### **Eligible System Size:**

Not specified

### **Equipment/Installation Requirements:**

Solar water heating property must be certified by SRCC or by comparable entity endorsed by the state. At least half the energy used to heat the dwelling's water must be from solar in order for the solar water heating property expenditures to be eligible.

**Web site:** <http://www.irs.gov>

### **Summary:**

The Energy Policy Act of 2005 (H.R. 6, Sec. 1335) establishes a 30% tax credit up to \$2,000 for the purchase and installation of residential photovoltaic (solar electric) and solar water heating property. An individual can take both a 30% credit up to the \$2,000 cap for a photovoltaics system and a 30% credit up to a separate \$2,000 cap for a solar water heating system. A 30% tax credit up to \$500 per 0.5 kW is also available for fuels cells.

Solar water heating property must be certified for performance by the Solar Rating Certification Corporation or a comparable entity endorsed by the government of the State in which the property is installed. Note that the tax credit does not apply to solar water heating property for swimming pools or hot tubs.

The credit is calculated based on the individual's expenditures excluding subsidized energy financing, which is defined as "financing provided under a Federal, State, or local program a principal purpose of which is to provide subsidized financing for projects designed to conserve or produce energy."

*Consumers who receive other incentives are advised to consult with a tax professional regarding how to calculate this federal tax credit.*

If the federal tax credit exceeds tax liability, the excess amount may be carried forward to the succeeding taxable year. Expenditures include labor costs for the onsite preparation, assembly, or original installation of the system and for piping or wiring to interconnect the system to the dwelling.

To be eligible for the credit, a system must be "placed in service" or activated between January 1, 2006, and December 31, 2007. Expenditures with respect to the equipment are treated as made when the installation is completed. This provision is particularly important for expenditures made before 2006 for projects not "placed in service" until 2006. If the installation is on a new home, the "placed in service" date is the date of occupancy by the homeowner. The IRS will be issuing further guidance on claiming this credit.