



## FLORIDA SOLAR ENERGY CENTER®

*Creating Energy Independence*

### Rebates & Incentives

#### **The Energy Policy Act of 2005 (EPAct 2005)**

The Energy Policy Act of 2005 (EPAct 2005) provides substantial incentives for consumers to take advantage of purchasing photovoltaic systems. The act offers tax credits to consumers who purchase photovoltaic systems for both residential and commercial use.

#### **Tax Credits Defined**

A tax credit offers significantly more financial savings to the buyer than a tax deduction. A tax deduction is subtracted from the income before tax liability is computed. The tax credit is subtracted directly from the total tax liability. This means that a tax credit offers more savings to the consumer than the tax deduction. For a comparison, a tax credit of \$1,000 for a taxpayer in the 28% tax bracket is the equivalent of a tax deduction of \$3,751.

#### **Qualifications and Provisions**

For residential systems, the allowable tax credit is 30% up to a maximum tax credit limitation of \$2,000. In addition to the benefits for residential homeowners, the EPAct increases the benefits of the business investment tax credit. The provisions of the bill increase the business investment tax credit from 10% to 30%. The business investment tax credit for solar systems does not have a maximum credit limit. To be qualified for the tax credit offered in the EPAct, the consumer must purchase the system in the calendar year 2006 or 2007, and the photovoltaic system must be certified by FSEC per FL Statute 377.705.

#### **The Florida Renewable Energy Technologies and Energy Efficiency Act**

The 2006 Florida Renewable Energy Technologies and Energy Efficiency Act, signed into law on June 19, 2006, provides consumers with rebates and tax credits for photovoltaic systems.

The purchase of photovoltaic systems covered under the Florida Renewable Energy Technologies and Energy Efficiency Act qualifies the consumer to receive a substantial rebate. The rebate is based on the manufacturer's power output rating of the modules. The amount is \$4.00 per Watt with a cap of \$20,000 for residential photovoltaic systems and a \$100,000 cap for commercial, publicly owned, or private not-for-profit photovoltaic systems.