

Solar tax incentives expand economic opportunities

In 2015, with strong bipartisan support, the Iowa Legislature expanded Iowa's upfront solar tax incentive. This resulted in significant economic opportunities and improved access to solar for businesses, farmers and homeowners. The program has been so effective that demand for the tax incentives exceeds the annual cap. Iowa has the opportunity to build on this economic growth and help meet its potential to be a leader in solar by expanding the solar tax incentive program.

Background

- First enacted in 2012, Iowa's solar tax incentive currently offsets up to 15% of the cost of a solar system for business and residential taxpayers, and provides a 50% match to the 30% federal tax incentive. Combined, the state and federal incentives can offset up to 45% of the cost of a solar system.
- The program targets homeowners, farmers and businesses, with a focus on installing solar on their property. The program cap is \$5M annually with individual credit caps of \$5,000 (residential) and \$20,000 (business) to encourage many smaller projects across the state
- The \$5M cap for 2015 has been met, so applicants will be carried forward and placed on a waiting list for 2016. Applications for the 2015 incentive are accepted until May 1, 2016, so this waiting list will continue to grow.

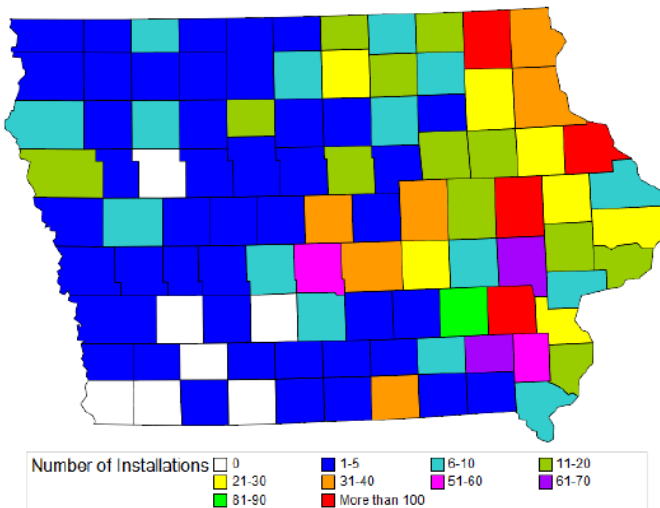
Solar energy and solar tax incentive have a proven record of success in Iowa

- Iowa solar tax incentives of \$11.6M to date have resulted in **1,821 solar projects** and a **total investment of \$85,383,785**.¹
 - **Residential:** 1,043 installations to date with a total investment of \$26,479,943.
 - **Business:** 778 installations to date with a total investment of \$58,903,842.

Solar tax incentives benefit taxpayers and solar projects across Iowa

- Businesses and residents in **92 Iowa counties** have used the tax incentive to help finance a project.
- Many farmers are using solar tax incentives. Washington County is a leader in the number of businesses to claim the credit and most are livestock producers and rural business owners.

Business and Residential Solar Tax Incentives By County, 2012-2015



Increasing the Solar Tax Incentive cap is a win-win for Iowa's economy and job market, as well as businesses, farmers and homeowners. Increasing the annual cap to **\$7.5M** will significantly increase the private and federal dollars leveraged and the jobs created. An increase in the cap will reduce the waiting list and ensure that more taxpayers can claim the credit the year after they install solar.

¹ Tax incentive information and map provided by the Iowa Department of Revenue's solar tax credit annual report for 2015.