

Incentives for Energy Efficient Components and Green Technologies

Indiana Energy Savings Tax Credit

Effective January 1, 2009 the State of Indiana began providing a state income tax credit for certain Energy Star rated equipment purchased by a homeowner or small business owner. The credit may be taken against the taxpayer's state tax liability equal to the lesser of 20% of the amount of expenditures for Energy Star heating and cooling equipment or \$100. Eligible purchases include a furnace, a water heater, central air conditioning or a programmable thermostat. Homeowners and small business owners claim the credit on their state income tax return. For details, please visit <http://www.in.gov/legislative/ic/code/title6/ar3.1/ch31.5.html>

Geothermal Technologies

Indiana offers state property tax exemptions for the installation of geothermal technologies. For more information please contact Donna Palmer with the Indiana Department of Environmental Management at (317) 233-0478.

Solar and Wind Technologies

Property tax exemption information for the installation of solar and wind technologies can be found by contacting your local county auditor or county assessor.

Federal Tax Credits for Energy Efficiency

New Home Construction

Builders may be eligible for a \$2,000 tax credit for the construction of an energy star home.

Improvements to Existing Homes

There are also tax credits for consumers making home improvements which include windows and doors, insulation, HVAC, geothermal heat pumps, water heaters, biomass stoves, and small wind energy systems.

As part of the American Recovery and Reinvestment Act of 2009, there were significant changes to the energy efficiency tax credits which include raising the tax credit from 10% to 30%, tax credits previously tied to specific dollar amount have been converted to a percentage of the cost, and the maximum credit has been raised from \$500 to \$1,500 for 2009-2011. Certain improvements such as geothermal heat pumps, solar water heaters, and solar panels are not subject to the \$1,500 maximum. In addition, the \$200 cap on windows has been removed.

For details on these credits, please visit

http://www.energystar.gov/index.cfm?c=products.pr_tax_credits#6

References

Indiana Office of Energy Development Tax Credit Website

<http://www.in.gov/oed/2379.htm>

Database of State Incentives for Renewables and Efficiency (DSIRE)

www.dsireusa.org