

Federal and State Tax Credit Information

FEDERAL INCOME TAX CREDIT

Homeowners who install solar energy systems can receive a 30% Residential Renewable Energy Tax Credit for systems placed in service before December 31, 2016. There is no maximum amount or cap for this tax credit. The 30% tax credit applies to the total cost of the solar energy system after any utility rebates are applied.

The tax credit applies to the tax year that your solar energy device is "placed in service". The IRS defines "placed in service" as when the property is ready and available for use. It is not when you purchase the device, but the day the installation is complete (and inspected by the local jurisdiction if required) and you are able to use your new device. If the installation is on a new home, the "placed in service" date is the date of occupancy by the homeowner.

The energy efficiency tax credit is technically "non-refundable" which means at the end of the year, you cannot get back more in credits than you paid to the government in taxes throughout the year. If you are unable to claim the entire 30% of your renewable energy purchase, you can carry forward the unclaimed portion to future years through 2016.

The actual tax credit is obtained by filing IRS Form 5695, Residential Energy Credits, as an attachment to the regular annual income tax return. Please visit www.irs.gov to download a copy of the form.

Form 5695	Residential Energy Credits	OMB No. 1545-0074
Department of the Treasury Internal Revenue Service	▶ See instructions. ▶ Attach to Form 1040 or Form 1040NR.	2009 Attachment Sequence No. 158
Name(s) shown on return		Your social security number

If you have questions, please call the IRS at 1-800-829-1040.

Make sure to save your payment records and TFS Certification Statement for three years in case you are audited.

ARIZONA INCOME TAX CREDIT

Arizona law provides a solar energy credit for solar energy devices installed on a residence. The solar energy credit for buying and installing a solar energy device is 25% of the cost after any utility rebates are applied or \$1,000, whichever is less. If you install another device in a later year, the cumulative credit cannot exceed \$1,000 for the same residence.

If the allowable tax credit is more than your tax or if you have no tax, you may carry the unused credit forward for up to the next 5 consecutive years.

To be eligible for this credit, you must be an Arizona resident who is not a dependent of another taxpayer.

The actual tax credit is obtained by filing Arizona Form 310, Credit for Solar Energy Devices, as an attachment to the regular annual income tax return. Please visit www.azdor.gov to download a copy of the form.

ARIZONA FORM 310	Credit for Solar Energy Devices	2009
For the calendar year 2009, or		
fiscal year beginning [MM/DD/YYYY] and ending [MM/DD/YYYY].		
<i>Attach to your return.</i>		
Your Name as shown on Form 140, 140PY or 140X	Your Social Security No.	

If you have questions, please call the Arizona Department of Revenue at 1-800-352-4090.

Make sure to save your payment records and TFS Certification Statement for three years in case you are audited.