



Building Dreams to a Greener Standard™

Solar Panels & Solar Water Heating Systems

two smart ideas.

On February 17, 2009, President Obama signed "The American Recovery and Reinvestment Act of 2009". With the signing of this stimulus bill, you can now purchase a new All American Home and take advantage of increased tax credits on two super energy saving features.



Solar “Photovoltaic” Panels are a smart investment.

Available tax credits may nearly cover the entire cost of adding solar panels to your new All American home. Solar panel tax credits currently available are:

- Federal Solar Tax Credit = 30% (no dollar limit)*
- State Solar Rebate or Tax Credit = Up to 50%* (availability and amount varies by state)
- Other incentives, like property tax exemption, sales tax exemption, net metering, and utility discounts may also be available.

Solar panels can save you up to 50% (or more) on your monthly energy bills. This means an immediate payback to you every month.

Installing solar panels minimizes the effects of rising energy costs. It is like insurance against future energy cost increases.

Adding solar panels may also increase the resale value of your home.



Solar Water Heating Systems just make sense.

Available tax credits significantly minimize the initial cost of a Heliodyne™ solar water heater in your new All American Home. Tax credits currently available are:

- Federal Solar Tax Credit = 30% (no dollar limit)*
- State Solar Tax Credit = Up to 50%* (availability and amount varies by state)
- Other incentives, like property tax exemption, sales tax exemption, net metering, and utility discounts may also be available.

Water heating accounts for nearly 13% - 17% of a homes total energy consumption.

Adding a solar water heater to your All American home can save you up to 75% (or more) on water heating costs.

A solar water heater will typically pay itself off, multiple times, over its lifespan.

During a 20-year period, a solar water heating system can avoid more than 50 tons of carbon dioxide emissions when compared to traditional water heaters.

*Note: Tax credits are subject to your income tax liability.



Frequently Asked Questions

What federal tax credits are available for solar panels and solar water heaters?

There is a federal tax credit available for up to 30% of the system's cost. Expenditures include labor costs for onsite preparation, system installing, and wiring to interconnect the system to the home.

Example: If a solar panel system costs you \$24,000 with all eligible expenses, your maximum federal tax credit amount would be \$7,200 or 30%.

Is there a maximum federal tax credit amount for eligible systems?

No. With the signing of the American Recovery and Reinvestment Act of 2009, the maximum credit amount of \$2,000 was lifted. Currently, there is no maximum credit amount on either solar panels or solar water heating systems.

What incentives are available at the state level?

Solar incentives are available in many states but differ in each. State incentives range from tax credits or rebates, to property tax exemptions and utility rate discounts. Tax credits and rebates can be as much as 50% of the system's cost. See page 7 for a summary of incentives currently available in your state. Specific details on available state incentives can be found by visiting the website www.dsireusa.org.

What if the tax credit exceeds your tax liability?

If a tax credit exceeds your tax liability, that additional amount can usually be carried forward to the succeeding taxable year.

Example: You paid \$24,000 for a solar panel system. Your maximum tax credit amount is \$7,200 or 30% of the system's \$24,000 cost. If your tax liability is \$5,000, you can only claim a maximum of \$5,000 on your 2009 taxes. The additional \$2,200 tax credit can usually be claimed on the following year's taxes.



Is a tax credit the same as a tax deduction?

No. A tax credit is a dollar-for-dollar reduction in what the taxpayer owes. That means that a taxpayer who owes \$8,000 in income taxes and who receives an \$8,000 tax credit, would pay nothing.

Is there any way for a home buyer to access the money allocable to the credit sooner than waiting to file their 2009 tax return?

Yes. Prospective home buyers who will be adding either of these solar systems, and believe they will qualify for the tax credits, are permitted to reduce their income tax withholding. Reducing tax withholding (up to the amount of the credit) will enable the buyer to accumulate cash by raising his/her take home pay.

Buyers can adjust their withholding amount on their W-4 via their employer or through their quarterly, estimated tax payment. IRS Publication 919 contains rules and guidelines for income tax withholding. Prospective home buyers should note that if income tax withholding is reduced and the tax credit qualified purchase does not occur, then the individual would be liable for repayment to the IRS of income tax and possible interest charges and penalties.

What is Net Metering?

Available in over 40 states, Net Metering is an incentive for consumers to invest in renewable energy systems. Net Metering measures excess electricity produced through the solar system by spinning the energy meter backwards, banking the electricity until it is needed. This provides the customer with full retail value for the electricity produced. Customers receive retail prices for excess electricity they generate through solar power. Interconnecting with the utility is done using a standard meter.

What if your state does not have net metering?

A customer can use the electricity they generate to offset electricity they would otherwise have to purchase from the utility company at the retail price. Any excess electricity is purchased at the wholesale price. To measure excess energy without net metering, an additional (second) meter must be installed at the customer's expense.



What is the initial cost of solar panels?

All American Homes offers a 2.5kw solar panel system that starts around \$24,000. Depending on the size and type of home, the solar panel system may be expanded. Prices will vary based on the system's size.

What kind of payback can you expect on a solar panel system?

With all of the federal and state tax credits/rebates currently available, you could possibly cover most of your initial expenses within the next one or two tax years. Once installed, solar panels can save you up to 50% (or more) on your monthly energy bills. This means an immediate payback to you every month.

Example: If your monthly energy bill would have been \$200 without solar panels, then with solar panels saving you 50%, you would save \$100 a month or \$1,200 a year. Savings will vary based on number of people living in the home, climate, and a number of other factors.

What kind of payback can you expect with a solar water heating system?

Water heating is responsible for up to 17% of your energy consumption. Every month our Heliodyne™ solar water heating system can save you up to 75% on your water heating energy costs. This system typically will pay itself off multiple times over its lifespan. Savings will vary based on number of people living in the home, climate and a number of other factors.

Will adding solar systems increase the value of your home?

It is very possible for solar systems to increase the value of your home. Showing a potential home buyer the monthly energy savings from the solar systems can create instant additional value for your home. The panels are also easily recognizable, and can create added value simply upon a potential home buyer's first look at the home.

How can these solar systems minimize the effects of rising energy costs?

Installing solar systems is like insurance against future energy cost increases. The more you take advantage of solar power, the less you are exposed to energy cost increases.



Solar Panel Cost Analysis**

	Solar Panels	Without Solar Panels
Initial Cost (Est.)	\$24,000	\$0
Federal Tax Credit (30%)	<\$7,200>	\$0
State Tax Credit (35%)	<\$8,400>	\$0
First Time Home Buyer Tax Credit	<\$8,000>	\$0
Cost of System After Tax Credits	\$400	\$0
Monthly Energy Cost <i>(assumes a 50% savings for solar panels)</i>	\$100	\$200
Possible Energy Savings	\$100/month or \$1,200/year	

Solar Water Heating System Cost Analysis**

	Solar Water Heating	Traditional Water Heating
Initial Cost (Est.)	\$6,500	\$900
Federal Tax Credit (30%)	<\$1,950>	\$0
State Tax Credit (35%)	<\$2,275>	\$0
Cost of System After Tax Credits	\$2,275	\$900
Monthly Water Heating Cost <i>(assumes a 75% savings for solar water heating systems)</i>	\$8.50	\$34
Possible Energy Savings	\$25.5/month or \$306/year	

The availability of net metering, property tax exemptions, and utilities discounts could save you even more when you add solar systems to your All American Home.

**All costs listed are estimated for sample purposes only, and may not apply to all consumers. Availability of state incentives varies by state. Not all consumers will qualify for all incentives. Actual results and savings will vary based on a number of factors.

Contact your local All American Homes Builder to **GO SOLAR** today.

What solar energy incentives are available in your state?

State	Federal Tax Credit	State Tax Credit or Rebate	Net Metering	Property Tax Exemption	Utility Discount Or Rebate	Sales Tax Exemption Or Rebate
AZ	✓	✓	✓	✓	✓	✓
AL	✓					
AR	✓		✓			
CO	✓	✓	✓	✓	✓	✓
DE	✓	✓	✓			
FL	✓	✓	✓	✓	✓	✓
GA	✓	✓	✓		✓	
IA	✓	✓	✓	✓	✓	✓
ID	✓	✓	✓			✓
IL	✓	✓	✓	✓		
IN	✓		✓	✓		
KS	✓		✓	✓		
KY	✓	✓	✓			
LA	✓	✓	✓	✓		
MD	✓	✓	✓	✓		✓
MI	✓		✓		✓	
MN	✓	✓	✓	✓	✓	✓
MO	✓		✓		✓	
MS	✓					
MT	✓	✓	✓	✓		
NC	✓	✓	✓	✓	✓	
ND	✓	✓	✓	✓		
NE	✓		✓			
NM	✓	✓	✓			
NV	✓	✓	✓	✓		
NY	✓	✓	✓	✓	✓	✓
OH	✓	✓	✓	✓		
OK	✓		✓			
PA	✓		✓			
SC	✓	✓	✓			
SD	✓			✓		
TN	✓				✓	
TX	✓		✓	✓	✓	
UT	✓	✓	✓		✓	
VA	✓		✓	✓		
WI	✓	✓	✓	✓	✓	✓
WV	✓		✓			
WY	✓	✓	✓			

Specific details on available incentives can be found by visiting the website www.dsireusa.org.

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Contact your local All American Homes Builder to **GO SOLAR** today.