



Solar Tax Credit Information for Solar Customers

Thank you for going solar (or your interest in going solar)! We know state and federal tax credits play a key role in your decision-making process. As the federal tax credit phases out, the destiny of the state tax credit remains unclear.

As of now, the state tax credit program (capped at \$5 million annually) is already near the cap for 2021 due to the lengthy waitlist. The state tax credit is coupled with the federal tax credit, and anyone on the waiting list in 2022 when the federal tax credit phases out completely is at risk of not receiving their state tax credit. In effect, this means anyone installing solar right now may not receive a tax credit because the waitlist is already so long that it will extend into 2022. Because the state tax credit is coupled with 2016 federal code, the state program did not get extended along with the recent extension of the federal ITC.

If you are passionate about solar growth in the state of Iowa and the ability of homeowners, farmers and businesses like you to invest in solar, please consider reaching out to your state legislators about the urgent need to decouple state tax credit from the federal tax credit. Here are some easy steps and talking points:

1) Find Your Legislator:

- a. If you do not know your legislators, look them up online at www.legis.iowa.gov/legislators/find.
- b. Find emails for both your Senator and your Representative to send them each an email.

2) Use the Draft Text Below to Craft Your Email:

- a. My name is [insert name] and I am your constituent. I live in [insert city] and I want to invest in solar energy for my home or business but recently learned some alarming news that could impact my decision.
- b. Iowa's state tax credit is coupled with the 2016 federal tax credit code, which means it's still on course to phaseout in 2022. The state tax credit has reached full capacity for this year and every new project will be put on the waitlist. According to the Department of Revenue, any projects still on the waitlist in 2022 could be out of luck, which means anyone installing solar right now may never receive the state tax credit.
- c. Iowa needs to be in control of its own energy destiny and not the unpredictability of Washington, DC. I respectfully ask that you support decoupling Iowa's tax credit from the federal program so we can continue to harness the power of the sun so Iowa farmers, homeowners and small businesses can continue to control their costs.
- d. In addition, I ask you to consider a one-time economic stimulus payment to pay off the waitlist and also to raise the annual cap on the state tax credit program.
- e. The one-time infusion of \$5 million or more into the state solar program will go immediately into the hands of Iowa business owners, farmers and homeowners. The amount depends on the size of the waitlist in the first quarter of 2021.
- f. Raising the cap to at least \$10 million annually will provide financial certainty for projects being considered now. People like me can invest in solar without waiting 2-3 years to receive the state tax credit, or potentially not receive it at all.
- g. Solar energy has been a true economic success story with projects in all 99 counties, benefiting both rural and urban Iowa and supporting approximately 1000 jobs.
- h. Thank you for your consideration of this request, I look forward to hearing from you.