



Federal Incentives

INVESTMENT TAX CREDIT

Investments in renewable energy property qualify for an ITC. The amount of the credit is determined as 30% of the taxpayer's basis in eligible property (generally, the cost of acquiring or constructing eligible property). The tax credit rate depends on the type of property or technology being claimed.

21% CORPORATE TAX RATE

The maximum corporate tax rate of 21% will affect renewable energy projects which have, or are contemplating, tax equity investors. A lower tax rate reduces the present value of depreciation tax benefits, as well as reducing the after-tax costs of income allocations to each partner.

100% BONUS DEPRECIATION

Especially advantageous for hotel owners with an upcoming PIP renovation, the 2018 Tax Bill initiates a 100% bonus depreciation on energy-efficient technology acquisitions in year 1 instead of spreading it out over 6 years, thereby reducing the payback period and allocating the upfront cost of a new investment over time.

REAP (RURAL ENERGY FOR AMERICA PROGRAM) GRANTS

Hotels in REAP Zones, typically communities with a population under 50,000, are eligible for a 25% rebate for renewable energy systems and improvements to HVAC systems, insulation, lighting and refrigeration.

- La Quinta Inn and Suites in Danbury, CT received a REAP grant for \$25,081 to offset the \$100,325 two solar thermal systems.
- Super 8 Hotel in Bowling Green, KY received a \$72,900 grant to offset the \$291,600 cost to install a solar power system operating the hotel.
- The El Rancho Motel in Yuma, AZ received an \$18,711 grant for the installation of a solar panel system.