

Clean, green solar gives businesses a break

Every successful business has the same question, "Where can we reinvest this year's profits to minimize our tax liability?"

These days, more and more businesses are choosing to invest solar energy. The top three reasons businesses are going solar are that solar has an immediate tax benefit; solar improves the bottom line; and solar increases market awareness for the business.

Midtown Dental Center on Airport Boulevard in Pensacola contracted Compass Solar Energy to design, engineer, and install a 13 kW solar electric system in December 2009. Owner Dr. Donnie Filipczak says investing in solar makes total sense for her business. In addition to the tax benefits and energy savings, she wants to reduce her carbon footprint.

"I recommend it to everyone because of the tax credit as well as the opportunity to use renewable energy," says Dr. Filipczak. "The system performs well."

Successful businesses are always looking for investments to be depreciated quickly to allow for maximum tax breaks within a short foreseeable future. Solar has an immediate tax benefit. First, businesses receive 30% of their investment back in their pockets because solar qualifies for a 30% federal business energy investment tax credit under tax code 26 USC § 48. Then there's the benefit of the five year accelerated depreciation schedule. According to tax code 26 USC § 168, you can depreciate 50% the first year with the balance depreciated in the following four years.

"Here's an example broken down in dollars and cents," explains Compass Solar Energy marketing director Amy Vogt. "If a business invests \$100,000 in solar, it will receive a \$30,000 tax credit. Then, if the business is in the 25% tax bracket it will receive the depreciation benefit of \$10,625 the first year with another \$10,625 in the next four years. You knock out more than half of the cost of the investment with the tax breaks," says Vogt.

Solar also reduces costs and improves businesses' bottom lines. Based on the \$100,000 system example, in the first five years of this



Business owners save money and get major tax breaks for going solar. 13kW Solar Electric (PV) at Midtown Dental Center by Compass Solar Energy.

investment the business decreases energy costs by more than \$35,000 and will enjoy a total energy offset of over \$200,000 during the warranty period of the system.



Compass Solar Energy designed and installed a 29.6 kW solar PV system to offset electric usage of the common areas of Morris Court III, a senior living community in Pensacola.

Solar gives businesses a great marketing angle used to promote the company as "green". Public interest in being environmentally friendly is increasing at a phenomenal rate. Going solar allows businesses to promote themselves to that growing population.

Momentum for companies going solar continues to build, with successful businesses such as Walmart; Costco; Kohl's Department Stores; IKEA; Macy's; and Walgreens leading the way in solar installations. In the next five years, businesses, non-profits, schools and public agencies will likely add another 7,000 MW of solar. That's enough to retire seven coal-fired power plants. Big companies are not the only ones who understand the benefits of going solar, small businesses are signing up for solar too.

The bottom line: solar is good for business—and companies big and small already know this.

Compass Solar Energy is the Northwest Florida leader in high quality solar design and installation. Call 439-0035 or visit www.compassolar.com today to find out more information or to request a free site survey.