

Green business programs

Written by EarthTalk® from the Editors of E/The Environmental Magazine
Monday, 28 December 2009 16:25



Dear EarthTalk: I've been following reports about President Obama's stimulus package and what it may mean for creating green jobs. Beyond that, are there programs in place to help businesses switch to greener raw materials and/or to green up operations overall? -- Diane, via e-mail

Even though the push to create green jobs is getting the lion's share of business news headlines right now, almost \$7 billion of the American Recovery & Reinvestment Act, the stimulus bill President Obama signed into law earlier this year, has been allocated to help businesses reduce their environmental footprints in any number of ways.

For starters, the stimulus package rewards businesses (as well as individuals) for investments in energy efficiency—that is, for doing more with less power. The federal government has extended its tax credit program for energy efficient business improvements—whereby 30 percent of qualified expenses up to \$1,500 can be credited against your tax bill—through 2010. No one knows yet if the program will be extended beyond that, so 2010 could be a great time to finally go for that upgrade you've been putting off.

Qualifying upgrades include the installation of central air conditioners, heat pumps, furnaces, boilers, windows, doors and roofing that meet efficiency standards set by the government's Energy-Star program. Likewise, the costs of upgrading to code-appropriate insulation and sealing as well as installing solar water heaters and biogas or biomass stoves also qualify for the tax credit. Business owners beware, though, that they can only claim a maximum of \$1,500 combined for all efficiency-related upgrades.

Stimulus money—some \$2.3 billion over the next 10 years—is also available to businesses, institutions and government agencies that green up their vehicle fleets and/or take steps to encourage or subsidize employees to go green with their commutes. Companies that install alternative fuel (ethanol, biodiesel or hydrogen) pumps on site can qualify for tax credits for between 30 and 50 percent of installation costs through 2010. Likewise, businesses that buy electric or plug-in hybrid cars or trucks for their fleets can score credits of between \$2,500 and \$7,500 per vehicle depending on battery size and fuel efficiency.

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Another way businesses can make use of tax credits is to install on-site wind or solar power systems. The federal government will pay up to 30 percent of the set-up cost. Congress has also allocated \$1.6 billion for Clean Renewable Energy Bonds (CREBs) to help finance construction of renewable energy facilities run by public utilities, electric cooperatives and city, state and tribal governments.

Businesses that qualify for any of the aforementioned tax credits should be sure to file IRS Form 5695 with their tax returns and keep all relevant receipts and copies of manufacturer certifications and Energy-Star labels where applicable. Tax advisors can provide more details on how to qualify for these federal incentives, and can also advise as to what additional incentives might be available from states. Be sure to check out the Database of State Incentives for Renewables and Efficiency (DSIRE), which provides a continuously updated list of both state and federal ways for both businesses and homeowners to save cash by going green.

CONTACTS: American Recovery & Reinvestment Act, www.recovery.gov; DSIRE, www.dsireusa.org.

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