



KINGenergy
YOUR GEOTHERMAL SPECIALISTS

U.S. Guide to Residential Geothermal System **Tax Incentives**



The American Recovery and Reinvestment Act* includes:

26% tax credit

for geothermal systems placed in service from
January 1, 2020 until December 31, 2022

22% tax credit

for geothermal systems placed in service from
January 1, 2023 until December 31, 2023

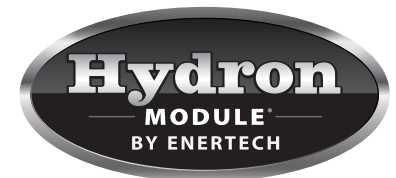
How to Claim the Tax Credit

An IRS form is used to claim the Residential Energy Efficient Property Credit.



In addition to the federal residential geothermal tax credit, many states, provinces, and utilities have programs and incentives supporting the installation of geothermal systems.

For more information on incentives available in your area, contact us, your local Hydron Module dealer, or your local tax professional. You can also visit DSIRE, www.dsireusa.org.



**Since this is a piece of federal legislation, it is subject to change. To get up-to-date information on the tax credit, visit hydronmodule.com/financial-incentives, call us at (618) 664-9010, or email customerrelations@enertechusa.com.*

Geothermal Offers More than a Tax Credit



Savings: Heating, cooling, and getting some (or all) of your hot water from a Hydron Module Geothermal System reduces heating and cooling costs 30 to 70 percent and hot water costs 25 to 40 percent.



Peace of Mind: Geothermal systems do not use fossil fuels – at all. This improves air quality and removes the potential for harmful gas and oil leaks, carbon monoxide poisoning, and fires.



Live More Comfortably: Hydron Module Geothermal Systems are ridiculously quiet, lower humidity levels, eliminate hot and cold spots, and allow for zoning, so you can set different temperatures for different areas of your home. Our systems are compatible with smart thermostats, so you have control from anywhere.

SYSTEM REQUIREMENT BASICS:

Any geothermal equipment meeting ENERGY STAR requirements at the time of installation is eligible for the federal tax credit. Primary residency is not required for eligibility, but the system must be installed in the U.S. in a home owned by the taxpayer. The credit is equal to 26% of the eligible system costs, including the heat pump, ground loop field, etc. Check with your local installer and tax professional for more details.

CREDIT BASICS:

The tax credit can be used to offset Alternative Minimum Tax (AMT). It can be combined with other energy efficiency upgrade credits, including solar and wind tax credits. There is no cap to the tax credit or limit to the number of times the credit can be claimed. If the taxpayer has more than one home, the credit can be claimed for each home where geothermal equipment is installed.

FREQUENTLY ASKED QUESTIONS

What is the difference between a tax deduction and a tax credit?

A tax deduction reduces the amount of your income that is considered taxable by the IRS. A tax credit is taken after the determination of the amount of taxes that you have to pay. Tax credits are dollar for dollar reductions in the amount of taxes you owe, and are the same for everyone, regardless of income level.

What if my geothermal tax credit amount exceeds my tax liability?

You will not lose any of the remaining balance. The residual amount will be carried forward into future years and applied to that tax liability.

Am I eligible for the tax credit if geothermal equipment is installed in my condo?

Possibly. You may be able to claim the tax credit on your share of the condominium association's geothermal spending. The tax code has specific restrictions, so please consult your tax professional and homeowner's association for further information.

Can I claim the tax credit if I install a qualified geothermal heat pump in my existing home?

Yes, the tax credit applies to existing residential installations as well as new construction.

Is there any geothermal equipment not covered under this tax credit?

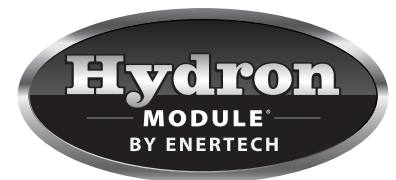
The tax credit can only be applied to new "qualified geothermal heat pump property." Equipment used exclusively to heat swimming pools or hot tubs and previously used geothermal equipment is excluded.

Can I get this tax credit if I install a geothermal system at my business location?

There is a separate tax credit available for businesses installing geothermal equipment. If you have a business operating out of your home, consult your tax professional for proper allocation of the residential tax credit.



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