



Regulatory Update – New Law Creates Tax Credits for Geothermal Heat Pump Systems

The *Renewable Energy and Job Creation Act of 2008* (HR 6049) will provide approximately \$18 billion of tax incentives for investment in renewable energy, carbon capture and sequestration demonstration projects, energy efficiency and conservation. The new law is principally focused on extending the tax breaks for renewable sources of energy, which were set to expire at the end of this year.

The law also creates new tax credits for geothermal heat pump systems. A 10% investment tax credit for businesses and a residential consumer tax credit of 30%, capped at \$2,000 and allowed to be used to off-set the alternative minimum tax (AMT).

The law will help homeowners and businesses defray the initial costs of geothermal installations. Please call Don Maggioli for more information on how the new law will help increase the payback for these systems.

For state and local tax incentives and credits, check out [://www.dsireusa.org/](http://www.dsireusa.org/). DSIRE is a comprehensive source of information on state, local, utility, and federal incentives that promote renewable energy and energy efficiency.