

# Residential Solar ITC

## What the Residential Solar Industry Needs

- Eight-year extension of the 30% residential ITC under Section 25D;
- Eliminate existing \$2,000 limit on the 30% residential solar ITC under Section 25D
- Permit individual taxpayers to claim the ITC against the Alternative Minimum Tax (AMT).

## National Solar Market Results Since EPACT 2005

- Commercial Credit - Working. Market up 80%;
- Residential Credit, capped at \$2,000 - **Not Working**  
*Catalytic effect of beneficial tax treatment not being realized. Residential market growth is limited to states with generous incentives.*
- **SOLUTION:** Total monetary cap elimination

## Why \$ Cap Needs to Be Eliminated for Residential PV

Large <sup>1</sup> 8 kW	Medium <sup>2</sup> 4 kW	Small <sup>3</sup> 2.5 kW	
\$64,000- \$80,000	\$32,000- \$40,000	\$20,000- \$25,000	\$8-10/Watt <sup>4</sup>
\$80,000- \$96,000	\$40,000- \$48,000	\$25,000- \$30,000	\$10-12/Watt <sup>5</sup>

**The \$2,000 cap is 2%-10% of system cost and fails to stimulate market growth.<sup>6</sup>**

<sup>1</sup>Large: This is the size of a solar electric system capable of generating enough electricity to fully power an average American home.

<sup>2</sup>Medium: This is the average-sized system currently being installed in the California market, the largest solar market in the country.

<sup>3</sup>Small: This is the smallest system that is economic to install, when considering labor, mounting and other installation costs.

<sup>4</sup>This is the cost, per Watt, of an installed PV system in an established U.S. solar market, such as California.

<sup>5</sup>This is the cost, per Watt, of an installed PV system in an emerging U.S. solar market, such as Washington, DC.

<sup>6</sup>Residential solar space heating & cooling costs are approximately the same as residential PV.