

Going Solar for Nonprofits

If you want to put solar panels on your religious institution, government building or other nonprofit, you can sign up through Solarize if there is a program in your area. Or you can contact a solar installer directly. But you may face obstacles other customers do not:

- Your nonprofit does not pay income tax and thus cannot take advantage of the generous state and federal tax credits
- You may need to identify a source of funding for your solar energy system

Fortunately, **North Carolina law extends the 35% state renewable energy tax credit to NC taxpayers who donate money to a nonprofit for purposes of installing renewable energy systems.** People who donate to your solar fund receive: a charitable donation deduction on their Federal taxes and either the charitable donation deduction or a 35% tax credit on their North Carolina taxes. In this way, **donors can get back around 50% of their donation** in tax credits and deductions, depending on their tax bracket.

Certain requirements apply:

- ***To use the NC tax credit, the nonprofit must install the system in 2015 (since the state tax credit expires at the end of this year).***
- The nonprofit must keep a separate record of who donated and issue receipts to donors specifying that the donation was used to install solar.
- If the donations made for the solar system exceed the cost of the system, the nonprofit must prorate each taxpayer's share of the credit.
- Donors must begin taking the credit in the 2015 tax year. Donors' credit is limited to 50% of their state tax liability in a given year, but they may carry forward unused portions for 5 additional years if necessary.

More information:

NC Department of Revenue:
www.dornc.com/taxes/corporate/renewable_energy_credits.pdf

NC Interfaith Power & Light Solar Clearinghouse:
www.ncipl.org/solar-clearinghouse/

North Carolina Community Solar:
nccommunitysolar.wordpress.com

Questions? Email info@solarize-nc.org or call 919-416-5077.

Why Would a Nonprofit Go Solar?

- *To significantly reduce its energy bills*
- *To help slow climate change (10 kilowatts of solar prevents the burning of 5 tons of coal every year)*
- *To grow the green jobs economy and support local companies*
- *To demonstrate support for solar power to government and industry leaders who can accelerate the transition from dirty energy*

Note: We are not tax professionals. Consult your organization's attorney and/or accountant for details on how this applies to your nonprofit.