

Understanding Solar Tax Credits

What is the Solar Investment Tax Credit? (ITC)

The ITC is a federal tax credit that can be used to decrease the tax liability of residents who invest in a solar system. It can be claimed when a homeowner installs solar equipment.

How much is it?

The ITC is calculated as 30% of the net cost of the solar system (excluding state and local subsidies). Batteries can be included.

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

Tax credits provide a dollar-for-dollar reduction of your income tax liability. For example, a \$1,000 tax credit saves you \$1,000 in taxes. By contrast, a tax deduction lowers your taxable income. For example, if you are in the 25% tax bracket, a \$1,000 tax deduction saves you \$250.

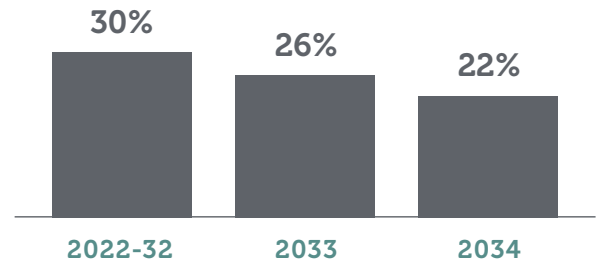
Will I get the Solar Investment Tax Credit?

It depends...

- You need to have a tax liability.
- Some homeowners may not pay enough taxes to take advantage of the entire credit. Unused portions often can be carried forward to the next tax year.
- Certain tax circumstances may prevent the use of the credit (e.g., alternative minimum tax).



Solar Investment Tax Credit



Source: Solar Investment Tax Credit (ITC)

**Individual tax
circumstances vary.**

**Borrowers should
always consult a tax
professional.**

The Sungage Classic-18 Solar Loan helps you take advantage of tax credits and reduce up-front costs.

Sample Loan

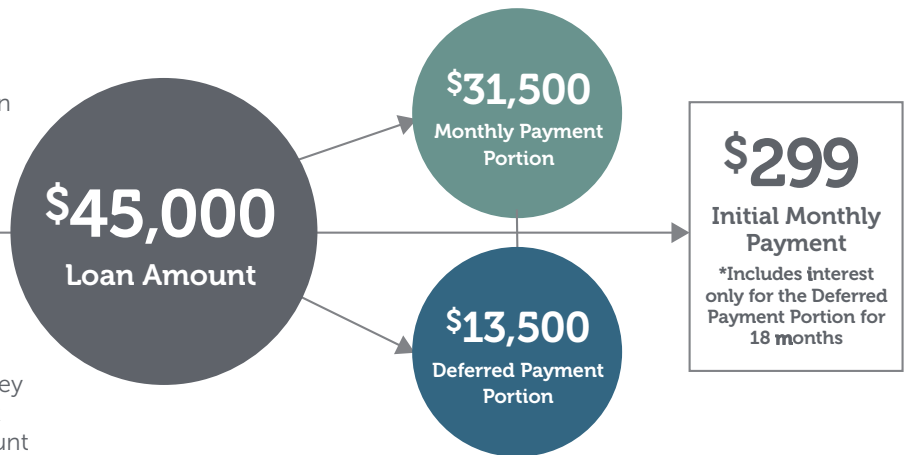
Amount based on 25-year term at 9.74% APR.

Monthly Payment Portion

Determines the monthly payment using the loan interest rate or APR (Annual Percentage Rate) and the loan term of 5, 10, 15, 20 or 25 years.

Deferred Payment Portion


Calculated to assume 30% federal tax credit will be applied. Borrowers should consider if they have enough tax liability to benefit from the tax credit and consult a tax professional. This amount is deferred for 18 months with no payment due* during the deferral period.



The Deferred Payment Portion is reamortized 18 months following installation

During the deferral period, interest that accrues on the Deferred Payment Portion of the Classic-18 loan product is automatically added to the monthly payment portion. If the Deferred Payment Portion isn't paid in full by the end of the deferral period, any remaining balance is added to the Monthly Payment Portion and your monthly payment will increase.

Some example scenarios

<p>When the full payment of \$13,500 is made by the reamortization date:</p>  <p>Your monthly payment stays the same at \$299.</p>	<p>When a partial payment of \$6,750 is made by the reamortization date:</p>  <p>Your monthly payment increases to \$359.</p>	<p>When no payment is made by the reamortization date:</p>  <p>Your monthly payment increases to \$420.</p>
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The Sungage Advantage Solar Loan helps you utilize tax credits and reduce up-front costs.

Sample Loan

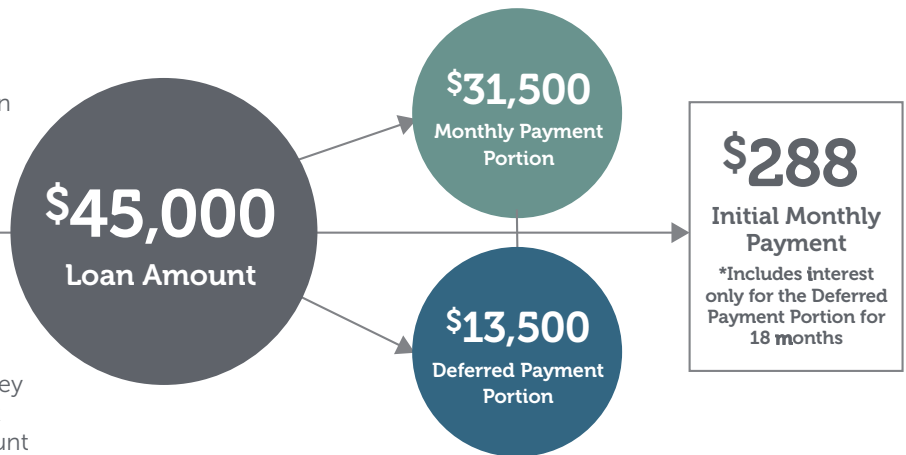
Amount based on 25-year term at 9.99% APR.

Monthly Payment Portion

Determines the monthly payment using the loan interest rate or APR (Annual Percentage Rate) and the loan term of 5, 10, 15, 20 or 25 years.

Deferred Payment Portion




Calculated to assume 30% federal tax credit will be applied. Borrowers should consider if they have enough tax liability to benefit from the tax credit and consult a tax professional. This amount is deferred for 18 months with no payment or interest accruing during the deferral period.



The Deferred Payment Portion is reamortized up to 18 months following installation

If the Deferred Payment Portion isn't paid in full by the end of the deferral period, any remaining balance is added to the Monthly Payment Portion. Loan payments are then recalculated at the original interest rate, resulting in an increased monthly payment. You will not pay any penalties or interest rate changes on the Deferred Payment Amount.

Some example scenarios

<p>When the full payment of \$13,500 is made by the reamortization date:</p>  <p>Your monthly payment stays the same at \$288.</p>	<p>When a partial payment of \$6,750 is made by the reamortization date:</p>  <p>Your monthly payment increases to \$350.</p>	<p>When no payment is made by the reamortization date:</p>  <p>Your monthly payment increases to \$412.</p>
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