

# Federal and State Solar Incentives

## Massachusetts

### Federal Investment Tax Credit (ITC)

The Federal Investment Tax Credit (ITC) is the most significant incentive program, and when added to the other incentives, drastically increases savings. Currently any interested party who buys a system outright, either through a cash transaction or solar loan, will receive a 26% tax credit based on the total cost of the system.

### Residential

**Federal Residential Renewable Energy Tax Credit** - A credit of up to 26 percent of qualifying project costs (Declining to 22 percent in 2021 then 0 percent in 2022)

**Massachusetts Personal Income Tax Credit** - A credit of \$1,000 or 15 percent of qualifying project costs, whichever is less

**Solar Massachusetts Renewable Target (SMART) Program** - A production-based incentive that is paid directly by investor-owned electric utilities in Massachusetts to solar electric system owners. SMART was launched by the Department of Energy Resources (DOER) in conjunction with participating investor-owned utilities. The selected Solar Program Administrator, CLEAResult, intakes and processes applications. Typical residential systems are eligible to participate for 10 years and will receive incentive payments monthly via checks or electronic payments. Please see the **DOER SMART website** and the **program administrators SMART website** for more information and a **downloadable calculator** to estimate SMART project incentives.

**Net Metering** - Allows customers to receive credits on their utility bill for excess generation in any given month. The credits can then be applied during times when the system is not generating electricity. Net metering credit values depend on a number of factors, including system size. **Residents can learn more about net metering from the Massachusetts Department of Public Utilities**

Avoided electricity costs - Cost savings from the electricity generated by the solar electric system

**Mass Solar Loan** - A state-run program connecting homeowners with low-interest loans for solar electric systems, and additional incentives for income qualified customers

**Solarize Mass** - A group-buying program providing discounts for residents in participating communities

**Municipal Light Plant Solar Rebate Program:** A rebate program for the installation of solar photovoltaic systems of 25 kW DC or less in certain Municipal Light Plant (MLP) service territories

## Commercial

**Federal Investment Tax Credit** - A credit of up to 26 percent of qualifying project costs (Declining to 22 percent in 2021 then 10 percent in 2022 and beyond)

**Modified Accelerated Cost Recovery System (MACRS):** Business owners can depreciate solar electric systems over a five-year schedule

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**Net Metering** - Allows customers to receive credits on their utility bill for excess generation in any given month. The credits can then be applied during times when the system is not generating electricity. Net metering credit values depend on a number of factors including system size. **Businesses can learn more about net metering from the Department of Public Utilities**

**Municipal Light Plant Solar Rebate Program:** A rebate program for the installation of solar photovoltaic systems of 25 kW DC or less in certain Municipal Light Plant (MLP) service territories