

# Many Ways to be Green

Being “Green” in today’s world includes many, many elements ranging from recycling your waste to buying cleaning products that are natural to purchasing power that is wind generated and much more. Most of us have good intentions of helping to save our planet by participating in some Green practices, but few of us can claim to be completely Green in either our personal lives or our business operations.

Why? Well, I don’t know about you, but for my office, it is just the need to function. I may understand that having a web-based meeting is more Green than driving to St. George for our quarterly get-together. Or I may understand that keeping the temperature turned down will save energy and therefore our environment. But like many of you, just getting the job done each day, tends to override the choices I should be making to be Green. I try, but just the “feel good” element of these things is not always the top driving factor in my decision making process.

Many times, the element that will make us be more conscious of Green practices is cost. Will the cost of implementing conservation practices be recouped or even make us more profitable? Is there a financial incentive to do conversions? Are the alternative resources available? What are the negative implications as well as the positive implications?



I have mentioned in a past article the incentives that are available to your business by our local utility providers and a few other programs that will help with the cost of converting your business to more energy efficient systems. If you would like this information again, please contact me.

For this month’s article I wanted to see what the

federal government was doing to give an incentive for businesses to go Green. Below are items that I found at the IRS’s website. Unfortunately, most of the incentives I found are not really items that the typical small business can take advantage of. Several incentives were available to the producer of the energy rather than the user of the energy. Typical, but I hope these clarify for you what is actually out there compared to the buzz on the street.

## Renewable Energy

### Production Tax Credit

**(Section 1101):** The new law generally extends the “eligibility dates” of a tax credit for facilities producing electricity from wind, closed-loop biomass, open-loop biomass, geothermal energy, municipal solid waste, qualified hydropower and marine and hydrokinetic renewable energy. The new law extends the “placed in service date” for wind facilities to Dec. 31, 2012. For the other facilities, the placed-in-service date was extended from December 31, 2010 (December 31, 2011 in the case of marine and hydrokinetic renewable

energy facilities) to Dec. 31, 2013.

**Temporary Increase in Credit for Alternative Fuel Vehicle Refueling Property (Section 1123):**

The new law modifies the credit rate and limit amounts for property placed in service in 2009 and 2010. Qualified property (other than property relating to hydrogen) is now eligible for a 50 percent credit, and the per-location limit increases to \$50,000 for business property (increases to \$2,000 for other/residential locations). Property relating to hydrogen keeps the 30 percent rate as before, but the per-business location limit rises to \$200,000.

**Qualified Plug-in Electric Drive Motor Vehicles (IRC 30D)**

Internal Revenue Code Section 30D provides a credit for Qualified Plug-in Electric Drive Motor Vehicles including passenger vehicles and light trucks. Some low speed vehicles may qualify for the credit if acquired prior to January 1, 2010.

For vehicles acquired after 12/31/2009, the credit is equal to \$2,500 plus, for a

vehicle which draws propulsion energy from a battery with at least 5 kilowatt hours of capacity, \$417, plus an additional \$417 for each kilowatt hour of battery capacity in excess of 5 kilowatt hours. The total amount of the credit allowed for a vehicle is limited to \$7,500.

**Alternative Motor Vehicle Credit**

The Alternative Fuel Motor Vehicle Credit was enacted by the Energy Policy Act of 2005 and includes separate credits for four distinct categories of vehicles:

1. Qualified Hybrid Vehicles,
2. Qualified Fuel Cell Vehicles,
3. Qualified Alternative Fuel Motor Vehicles (QAFMV) and Heavy Hybrids, and
4. Advanced Lean-Burn Technology Vehicles.

The amount of the potential credit varies by type of vehicle and which of the four credits applies.

Unfortunately this is all I found from the IRS to provide incentive for businesses to go Green. There is much more for the homeowner. Certainly, I am not an expert and you should ask your accountant if there are any incentives your business could qualify for.

So while that cost analysis is very important as you look to implement Green practices, looking to our federal government for incentives is probably not going to sway your decision. You may just have to get back to that “feels good” perspective.

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