



Geothermal Heat Pump Systems

Oregon Department of Energy

The Oregon Residential Energy Tax Credit program provides a tax credit for closed-loop geothermal ("ground source") space or water heating systems. Earth-coupled heat pumps and systems that use a secondary heat exchanger submersed in a well, lake, pond or stream also qualify. Systems that pump water directly out of a well, lake, pond or stream ("open loop") are not eligible.

Only ground source heat pumps verified by a tax credit certified geothermal technician are eligible for the Residential Energy Tax Credit. The Oregon Department of Energy has a list of tax credit certified geothermal technicians. See the list on our Web site: www.oregon.gov/energy or call us toll-free at 1-800-221-8035.

To qualify for a tax credit, you must have an Oregon income tax liability. If you are an Oregon resident and do not have an Oregon income tax liability, you may choose to transfer your tax credit to an Oregon resident who does. See page 2 of these instruction for information about tax credit eligibility.

Your tax credit will be based on the following incentive table.

Geothermal Tax Credit Incentive Table

System Size	BTU per Hour Output	Estimated Savings	Tax Credit Amount
3 ton and under	Less than 40,000	1,000 kWh	\$600
4 ton	40,000 - 49,999	1,165 kWh	\$700
5 ton	50,000 - 64,999	1,335 kWh	\$800
6 ton and over	65,000 and over	1,500 kWh	\$900

Regarding multi-unit ground source heat pump installations: only one tax credit per system type per year will be issued per site address. Oregon Administrative Rules limit the total tax credit for multi-unit systems to \$1,500 per year.

You are eligible for an additional \$150 tax credit by having your ductwork tested and sealed by a tax credit certified technician at the same time you have a new furnace or hydronic air handler installed. Send in the separate duct sealing tax credit application at the same time you send in this application.

Don't wait to apply for the tax credit as processing will take several weeks. You will receive a Certification card that you will need when you file your tax return.

Take the following steps to receive your tax credit:

1. Verify that your geothermal space or water heating system is installed in a closed-loop configuration and that an Oregon Department of Energy Tax Credit Certified Geothermal Technician will install your system. (See list of companies on our Web site: www.oregon.gov/energy.)
2. Have your technician fill out the sections of the the *Application and Verification Form for Tax Credit Certification – Geothermal Heat Pump Systems*. They should provide you a clear, itemized copy of a final invoice showing model numbers of equipment installed and the manufacturer's specification sheet showing rated COP of the equipment. Be sure the technician signs the application form.

OVER

3. Submit the application to the Oregon Department of Energy. If the paperwork demonstrates that your system qualifies for the tax credit, the Oregon Department of Energy will approve your application and send you a certification card with the qualifying tax credit amount.
4. Claim the tax credit on your state income tax. The credit must be claimed for the tax year in which the alternative energy device was purchased (down payment) if the device is operational by April 1 of the next following tax year. Proof of purchase must be a contract or invoices dated in the year for which the applicant is claiming the credit.
5. Keep your certification, a copy of your application and proof of payment for your records. Do not attach them to your tax return. The Oregon Department of Revenue may ask you to provide the card to verify your eligibility for tax credit claimed. Unused amounts of your tax credit not taken in the first tax year may be carried forward and applied against your subsequent tax liability up to five years.

Eligibility for the Oregon Residential Energy Tax Credit

To qualify for the Oregon Residential Energy Tax Credit, you must be an Oregon resident and the equipment must be located in an Oregon dwelling that is your primary or secondary (vacation) residence. Owners of equipment installed in rental and commercial property should use the Business Energy Tax Credit program.

The tax credit issued normally applies to the tax year the equipment was purchased or placed in service, as long as you place it in service by April 1 of the following year and the Oregon Department of Energy has received your completed application by that date.

The Oregon Department of Energy certifies the energy efficiency of systems and equipment for the Oregon Residential Energy Tax Credit program. It is the applicant's responsibility to ensure compliance with all other eligibility requirements.

Note: Your Social Security Number is required to process your tax credit application. It is used to establish your identity for tax purposes only and is authorized by Section 405, Title 42 of the United States Code.

Pass-through Option

If you are a full-time Oregon resident and do not have an Oregon income tax liability, you may choose to transfer your tax credit to another full-time Oregon resident or Oregon business that does have tax liability. The Pass-through Option will allow you to transfer your tax credit to an individual or business with an Oregon tax liability who will make a lump-sum payment to you based on a percentage of the certified tax credit amount. To use this option, complete this application form first. Your application will be reviewed for eligibility and Pass-through Option Application will be sent to you in return. You and your pass-through partner (the tax credit recipient) will complete and sign the Pass-through Option Application and mail it to the Oregon Department of Energy. You are responsible for finding your own pass-through partner. The Oregon Department of Energy will then issue the tax credit certification to the pass-through partner. **The pass-through option is a one-time transfer and is final. There may be tax implications. We advise you to consult with your tax preparer.**

If you have questions concerning claiming the credit on your Oregon tax return, contact the Oregon Department of Revenue at 1-800-356-4222 or 503-378-4988.

If you have any questions about equipment eligibility or the tax credit application process, please see the Oregon Department of Energy Web site: (www.oregon.gov/energy) or call us toll-free: 1-800-221-8035. (In Salem, call 503-378-4040.)





Application and Verification Form
for Residential Energy Tax Credit Certification

Geothermal Heat Pump Systems

Oregon Department of Energy

625 Marion St. NE
Salem, OR 97301-3737
Toll-free: 1-800-221-8035
Salem: (503) 378-4040 Fax (503) 373-7806
Web site: www.oregon.gov/energy

Don't forget...
...to sign your application
and include your receipt

1. CUSTOMER INFORMATION				*Required to process
Name:		Social Security No.*:		
Mailing address:			Daytime phone:	
City:	Oregon County:	State:	Zip:	
Street address (if different)				
City:	Oregon County:	State:	Zip:	
If different than mailing address, please explain:				
This equipment is installed in your: <input type="checkbox"/> Primary residence <input type="checkbox"/> Vacation home; or <input type="checkbox"/> I am a renter <i>(Landlords and builders do not use this form. You must apply through the Business Energy Tax Credit Program.)</i>				
Name of electric utility:		Name of natural gas utility:		
2. SYSTEM		To be completed by Tax Credit Certified Technician		
The system serves: <input type="checkbox"/> Home's interior <input type="checkbox"/> Home's hot water <input type="checkbox"/> Pool or spa				
System <input type="checkbox"/> Geothermal heat pump for space heating <input type="checkbox"/> Geothermal direct use Type: <input type="checkbox"/> Geothermal heat pump for space and water heating <input type="checkbox"/> Geothermal water heating only				
System description: <input type="checkbox"/> Closed-loop heat pump; earth-coupled <input type="checkbox"/> Closed-loop submerged exchanger in pond or stream <input type="checkbox"/> Direct exchange (DX); earth-coupled <input type="checkbox"/> In-the-well heat exchanger ("down hole") <small>Contact ODOE for additional application requirements for this option.</small>				
Description of ground loop (if applicable): Loop length: _____ feet Trench length: _____ feet Loop spacing _____ inches (if slinky loop, write "Slinky") Loop material: Header configuration: Series Parallel				
Heat pump manufacturer:		Model No.:		
Equipment rating: tons		Design heat loss of home:		Btu/hour
Rated COP at 50° F.:		(Attach manufacturer's spec. sheet)		
Total net cost of system: \$		Purchase date:		
<small>The net cost is the applicant's cost for the design, acquisition, construction, installation, and permitting. Net cost does not include service contracts, rebates, or refunds.</small>				
Operational Date:		Number of people in household:		
Did you have your ducts tested and sealed at the same time as this installation? <input type="checkbox"/> Yes <input type="checkbox"/> No				

* The request for your Social Security Number is authorized by Section 405, Title 42, of the United States Code. It is used to establish your identity for tax purposes only. We cannot process your application without it.

FOR OFFICE USE ONLY
File No.:
Date received:
Tax credit amount:
Tax year:

3. TAX CREDIT AMOUNT

To be completed by Tax Credit Certified Technician

Tax credit amount: \$ _____

4. TECHNICIAN VERIFICATION

To be completed by Tax Credit Certified Technician

I declare that this system meets all the requirements of ORS 469.160 through 469.180. I have supplied the required consumer information and the estimated annual savings for this system to the person claiming this credit. All necessary permits have been obtained prior to system installation. To the best of my knowledge, the system meets all local building codes and requirement of the Oregon Department of Energy. The Oregon Department of Energy may require changes in the system to make it conform with ORS. 469.160 through 469.180 and OAR 330-70-010 through 330-70-097. The technician agrees to make changes required by the Oregon Department of Energy. By signing below I certify that the system described in this application is installed and that the information contained herein is accurate and true.

- _____ This system has been properly permitted and inspected
Jurisdiction _____ Permit number _____
- _____ I have provided the homeowner with an owner's manual for the system.
- _____ I have provided the homeowner with the manufacturer's specification sheets showing the AHRI rated performance of the installed equipment at 50° F.
- _____ I have explained the basic operation and proper maintenance of the system to the homeowner.
- _____ I have explained all warranties to the homeowner. A 24-month system warranty is required by the Oregon Department of Energy.
- _____ I have provided the customer with an itemized final invoice that includes the equipment model number(s), rated BTU output ("tonnage") of equipment and total job cost.

Tax Credit Certified Technician's Name (please print): _____

Technician's Signature: _____

Technician's Employer: _____ Phone: _____

Construction Contractor's Board No. _____ Date: _____

5. PASS-THROUGH OPTION

I want to keep the full tax credit myself

I want to transfer my tax credit to another Oregon resident (see below)

If you are an Oregon resident, the Pass-through Option will allow you transfer your tax credit to an individual with an Oregon tax liability who will make a lump-sum payment to you equal to 95% of the certified tax credit amount. To use this option, complete this application form first. Your application will be reviewed for eligibility. A Pass-through Option Application will be sent to you in return. You and your pass-through partner (the tax credit recipient) will complete and sign the Pass-through Option Application and mail it to the Oregon Department of Energy. The Department of Energy will then issue the tax credit certification to the pass-through partner. **Important: There may be tax implications for the pass-through partner. We advise you to consult with your tax preparer.**

OVER

6. DECLARATIONS AND INSTALLATION VERIFICATION

I understand that the Oregon Department of Energy does not make any warranty concerning the performance, operation, installation or any other characteristic or feature of this appliance. The Department of Energy approval is only for purposes of obtaining the Oregon Residential Energy Tax Credit. By signing below, I (we) certify that the system(s) described in this application is (are) installed and that the information contained herein is accurate and true.

Initial each item below:

- _____ I have received an owner's manual for my system.
_____ I have received the manufacturer's specification sheets documenting performance of the installed system.
_____ The technician has explained to me basic operation and proper maintenance of the system and has provided a minimum system warranty of 24 months.
_____ I have attached a clear, itemized copy of my proof of purchase.

The Oregon Department of Energy does not sell information from this application as a mailing list. However, we may be required to disclose the name, address and phone number from your application under the Oregon Public Records law ORS 192.410 et seq. We can withhold the address and phone number following a written request explaining personal safety concerns, such as a temporary restraining order. The Oregon Department of Energy does not endorse any company that requests the information.

7. APPLICANT'S SIGNATURE

I agree to statements above. Applicant signature: _____ Date _____

If there is a co-applicant **who signs a separate tax return**, co-applicant completes the following:

I agree to statements above: Co-applicant signature: _____ Date _____

Name of Co-applicant: _____ Social security number* _____

Address of Co-applicant: _____

Percent of ownership of Co-applicant _____% (Balance to the applicant)

If more than two persons are purchasing this system and file separate tax returns, give names, addresses, social security numbers, and percentage of ownerships on a separate sheet of paper.

8. MAILING INSTRUCTIONS

Photocopy all documents for your records. Be sure your application is complete before mailing

Clear, copy of itemized final invoice (paid-in-full receipt) with equipment model numbers

Copy of the manufacturer's specification sheet showing equipment COP rating

Mail to: Oregon Department of Energy, 625 Marion St. NE, Salem, OR 97301-3737.

Note: The Oregon Department of Energy certifies the energy efficiency of appliances for the Oregon Residential Energy Tax Credit program. It is the applicant's responsibility to ensure compliance with all other eligibility requirements. If you have questions concerning claiming the credit on your Oregon tax return, contact the Oregon Department of Revenue at 1-800-356-4222 or 503-378-4988.

