

Oregon Business Energy Tax Credit

Application for Preliminary Certification for Recycling Projects

Business owners and others who invest in recycling projects in Oregon may be eligible for a state tax credit. A tax credit recipient must have an Oregon tax liability. The tax credit is 35 percent of eligible project costs. The tax credit is filed over five years: 10 percent in the first and second years and 5 percent each year thereafter. For projects with eligible costs of \$20,000 or less, the tax credit may be taken in one year. Unused credits can be carried forward up to eight years.

Eligible Applicants

An eligible applicant (a project owner) must meet the following three requirements:

1. Be a trade, business or rental property owner who files taxes for a business site in Oregon
or
Be an Oregon non-profit organization, tribe, or public entity that partners with an Oregon business or resident who has an Oregon tax liability;
2. Own or be the contract buyer of the project; and
3. Use the equipment or lease it to another person or business in Oregon.

Pass-through Option

Non-profit organizations, schools and other public entities that do not have an Oregon tax liability may participate in the Business Energy Tax Credit Program by using the Pass-through Option. Project owners may “pass-through” or transfer their 35 percent tax credit project eligibility to a pass-through partner with an Oregon tax liability in exchange for a lump-sum cash payment. The Oregon Department of Energy determines the rate that is used to calculate the cash payment. Both the project owner and pass-through partner must sign the Application for Final Certification for Pass-through Projects before a Final Certification is issued to the pass-through partner. The same review, rules and standards apply to projects approved under the Pass-through Option as those using the regular Business Energy Tax Credit Program. **Please note:** The Pass-through Option is also available to a project owner with an Oregon tax liability who chooses to transfer his or her tax credit.

Timing

The Oregon Department of Energy must receive the Application for Preliminary Certification for Conservation Projects **BEFORE** the project owner financially commits to start the energy project. For example, an owner must apply before purchasing equipment or signing a contract. If a project owner starts a project and then decides to apply for the tax credit, the owner must submit a written request for a waiver with the application. The waiver request and application must be sent within 90 days of the project start date and must demonstrate an extenuating business circumstance that caused the delay in the application. Under extraordinary circumstances, the Director of the Department of Energy may extend the waiver period.

Work on the project must begin within three years of the approval date of the Preliminary Certificate or within three years of the approval date of any changes to the project. Projects must have a simple payback of more than one year. Projects with simple paybacks greater than 15 years will have eligible costs prorated accordingly. A project owner must receive a Final Certificate before the credit can be claimed on an Oregon tax return.

Before the project begins:

1. A project owner must complete the Application for Preliminary Certification for Recycling Projects. He or she must send the signed form, supporting documentation, and payment for review costs to the Oregon Department of Energy before the project begins. Incomplete applications will not be accepted. **Note:** If using Microsoft WORD version of the application, check the Web site to ensure the latest version is being used. (Dates are in the lower right-hand corner.)
2. A project owner may start the project when he or she receives a Preliminary Certificate. The Oregon Department of Energy usually takes four to six weeks to review an application provided all necessary information is submitted. Incomplete or inadequate information may result in a delay in approval or in denial of the application. Please note: A project owner may begin the project before receiving a Preliminary Certificate, however, there is no guarantee the project will be approved.
3. If vital characteristics of the project change after receiving the Preliminary Certificate, the project owner should submit a signed, written, detailed description of the changes to the project and energy savings estimates. An increase in cost only does not qualify as a project change. If the Department of Energy approves a project change, a project owner may be required to pay an additional review cost.

After the project is complete:

1. A project owner should apply to the Oregon Department of Energy for final certification when the project is completed. If project costs are \$50,000 or more, an owner must send a letter from a certified public accountant (not employed by the project owner) stating that he or she has reviewed the project costs. If project costs are less than \$50,000, the project owner should send copies of the dated invoices, canceled checks or receipts that are marked "paid."
2. The Oregon Department of Energy will review the final application and upon approval will issue a Final Certificate. Under no circumstances can the Oregon Department of Energy approve more than 10 percent above the amount of estimated project costs shown on the Preliminary Certificate unless the project was amended in writing and received approval before completion. The sum of all financial incentives and the tax credit may not exceed the total eligible project costs.
3. A project owner may file the tax credit over five years (10 percent for years one and two; 5 percent for years three, four and five). If the eligible project costs are \$20,000 or less, a project owner may file for the tax credit in one year. A project owner may begin claiming the tax credit the year the project is finished or the year the Oregon Department of Energy issues the Final Certificate. A project owner should include a copy of the Final Certificate with his or her tax return each year.

Questions? For questions on claiming the tax credit, contact the Oregon Department of Revenue (www.oregon.gov/DOR) or call 1-800-356-4222.

Call the Oregon Department of Energy at 1-800-221-8035 (toll-free in Oregon) or (503) 378-4040 (Salem). Or visit our Web site (www.oregon.gov/energy).



Business Energy Tax Credit Application for Preliminary Certification

Recycling Project

Are you eligible?

Yes No

- Have you submitted this application before financially committing to start this energy project? (e.g. signing a contract, ordering equipment, etc.)
- If no, have you attached a request for a waiver?
- Are you interested in using the Pass-through Option?*

*The Pass-through Option will allow you to transfer your tax credit project eligibility to another business or individual (a pass-through partner) with an Oregon tax liability in exchange for a lump-sum payment. The payment amount is calculated using the pass-through rate. To use the Pass-through Option, check the Yes box above, complete this application form and send the form to the Oregon Department of Energy.

For office use only

Application #:

Date received:

1. Project owner information (We will send all correspondence to this person.)

Project owner's name:

Tax I.D. # or SSN*:

Phone:

E-mail:

Business name:

Mailing address:

City/state/zip:

Principal business activity (or SIC, if known):

Contact person for project (Who can answer technical questions about the project?)

Title:

Phone:

E-mail:

Company/organization CPA or CFO:
(If interested in Pass-through Option)

Title:

Phone:

E-mail:

*OAR 330-090-0130 authorizes the Oregon Department of Energy to use your federal tax identification or social security number as an identification number in maintaining internal records and may be shared with the Department of Revenue to establish the identity of an individual in order to administer state tax law.

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2. Architect, engineer, vendor or contractor for project	
Firm name of architect, engineer, vendor or contractor:	
Address:	Phone:
City/state/zip:	
Contact person:	E-mail:

3. Project site		
Site address:		
City:	County:	Zip:
Total square footage affected by this project :		

4. Estimated construction or installation dates	
Estimated start date:	Estimated completion date:

5. May the Oregon Department of Energy publicize your project to promote efficiency to other businesses?
<input type="checkbox"/> Yes <input type="checkbox"/> No

6. How did you learn of the Business Energy Tax Credit Program?
<input type="checkbox"/> Associate <input type="checkbox"/> Advertisement <input type="checkbox"/> Workshop <input type="checkbox"/> Utility <input type="checkbox"/> Vendor <input type="checkbox"/> Other:

7. Tax credit eligibility requirements—To be eligible, you must meet one of the following requirements. Check the requirement your project will meet.
<input type="checkbox"/> I am not a regulated “collection service” (hauler) as defined by the Department of Environmental Quality (DEQ) (OAR 340, Div. 90) OR
<input type="checkbox"/> I serve communities with a census population of 4,000 or fewer; OR
<input type="checkbox"/> I serve unincorporated areas of the watershed; OR
<input type="checkbox"/> I recycle non-principle materials for specific watersheds (see Section 8); OR
<input type="checkbox"/> My project qualifies as a “Recycling Market Development” project (see Section 9)

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8. Recycled materials – Check which material(s) will be recycled and indicate the percentage by weight of each material.		
Material	Annual amount in pounds	% of total project weight
Newspaper		
Ferrous scrap metal		
Non-ferrous scrap metal		
Used motor oil		
Corrugated cardboard		
Aluminum		
Container glass		
Hi-grade paper		
Tin cans		
Yard debris		
Plastic		
Other (specify)		
Other (specify)		
Other (specify)		
Total		

9. Does your project meet eligibility requirements for Recycling Market Development? Recycling Market Development stimulates demand for recycled materials. To qualify as a Recycling Market Development project, it must use one of the following (check one):
<input type="checkbox"/> Recycled materials as feedstock to produce new products
<input type="checkbox"/> Equipment that allows reuse of pre- or post-consumer waste in the production of new and different products
<input type="checkbox"/> Recycled material benefaction equipment that yields a feedstock with new and changed characteristics for the production of new products
<input type="checkbox"/> Equipment that enables the use of a greater amount of recycled material feedstock in the manufacture of a product

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10. Project description

A. Describe the equipment the project will use. Explain how it will be used in recycling. State the brand name and model of each major piece of equipment for this project. Attach product literature for each. If your description is longer than space provided, please use a separate attached sheet.

B. Calculate the amount of material that will be recycled. Show how you calculated these amounts. Attach a separate sheet if needed.

Waste material (total) = _____ lb/year Material recycled = _____ lb/year

C. What will be done with the recycled material? What would have been done with the material if this project was not completed?

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11. Equipment project cost —List the brand name, model and cost of each major piece of equipment. Attach performance specifications. If more space is needed, attach a separate sheet.	
Materials:	Estimated cost:
Labor:	Estimated cost:
Engineering:	Estimated cost:
Other: (Do not include Business Energy Tax Credit review costs)	Estimated cost:
Total of Estimated Costs from above:	A. \$
Deduct federal grants or tax credits: (ORS 315.356 states: If a taxpayer obtains a grant or tax credit from the federal government other than an investment tax credit or a low income housing tax credit in connection with a facility which has been certified by the Director of the State Department of Energy, the certified cost of the facility shall be reduced on a dollar for dollar basis.)	B. \$
TOTAL Eligible Project Cost Take A and subtract B to get the total Eligible Project Cost (C)	C. \$

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12. Cost avoidance/payback (Complete if project owner is the waste generator)

A. Cost avoidance with recycling equipment:
 _____ lb/year X \$ _____ /lb = \$ _____ /year
 Material recycled (See 10B) X Disposal rate = Annual cost avoidance

B. Payback on recycling equipment
 \$ _____ ÷ \$ _____ = _____ years
 Eligible project cost (See 11C) ÷ Annual cost avoidance(above) = Simple payback

Value added (Complete if project owner is a third party processor and not the waste generator)

C. Value added with recycling equipment:
 _____ lb/year X (\$ _____ /lb — \$ _____ /lb) = \$ _____ /year
 Material recycled (See 10B) X (Value after project — Value before project) = Annual value added

D. Payback on recycling equipment
 \$ _____ ÷ \$ _____ = _____ years
 Eligible project cost (See 11D) ÷ Annual value added (above) = Simple payback

13. Business Energy Tax Credit review cost

Applications will **not** be reviewed until review cost is paid in full.

Total eligible project cost (See 9-D) _____ x .0075 = \$ _____

Minimum payment required is \$30. Make check payable to the Oregon Department of Energy and include with this application. You may also pay by Visa or MasterCard.

I want to pay by Visa/MasterCard. Please contact me at this phone number: _____.

If all or a portion of your application is denied, or if a change in your project results in lower costs, a portion up to 75 percent of this payment may be refunded within two years of pre-certification. If you add to your approved project, you must send a written description of the additions and the costs to be eligible for a tax credit. If the Oregon Department of Energy approves the additional eligible costs, an additional payment may be required. For more information, see Oregon Administrative Rule 330-90-0150(2).

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14. Read the statement below, sign and date.

- The Oregon Department of Energy is required by law to disclose information in this application to the public on request. Proprietary information may be exempt from disclosure. Mark on each page any information that you want kept confidential. The Director of the Oregon Department of Energy will make any decisions regarding public disclosure of information in this application.
- I understand that Oregon Department of Energy approval and certification of my project is for tax credit purposes only. The Oregon Department of Energy does not guarantee or in any way ensure the performance of any equipment, the quality of any system or the reliability of any dealer.
- The project will comply with all local, state and federal requirements. I will obtain all necessary permits.
- I will permit the Oregon Department of Energy or its agents to inspect the project at its discretion to make sure the project qualifies for the tax credit. I understand that if I give false information about the project, or if I refuse to permit the Oregon Department of Energy to inspect the project, I will not get the tax credit.
- I hereby release the State of Oregon and its commissions, agencies, officers, employees, contractors, and agents, and agree to defend and indemnify the foregoing from and against any claims, demands, or costs (including attorney and expert witness fees at trial and on appeal) arising from or in any way related to the Oregon Department of Energy's issuance or failure to issue any pre-certification or final certification for a Business Energy Tax Credit, or any party's inability to obtain a Business Energy Tax Credit.
- I understand that the sum of all financial incentives and the tax credit can not exceed the total eligible project cost.
- I have completed this form to the best of my knowledge.
- I have included an energy audit (or analysis) or energy use records, if applicable.
- I have enclosed a check to the Oregon Department of Energy or will pay by Visa or MasterCard for the review costs.
- I verify that the business/organization as project owner does not discriminate in providing access to its programs, services and activities on the basis of race, color, religion, ancestry, national origin, political affiliation, sex, age, marital status, sexual orientation, physical or mental disability, or any other inappropriate reason prohibited by law or policy of the state or federal government.
- I certify that I am the owner or the authorized agent.

Signature: _____ Title: _____

Print Name: _____ Date: _____

Send completed application with payment to:

**Oregon Department of Energy
625 Marion St. NE
Salem, OR 97301-3737**

If you have questions, call:

1-800-221-8035 (toll-free in Oregon) or (503) 378-4040

or visit our Web site:

www.oregon.gov/energy

FAX: (503) 373-7806



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