

## Oregon Business Energy Tax Credit

# Application for Preliminary Certification Sustainable Buildings

Oregon business owners and others who invest in sustainable building projects can get a state tax credit. The tax credit is based on the square footage of the building. You take the 35 percent credit over five years: 10 percent of the eligible project costs in the first and second years and 5 percent of the eligible project costs each year thereafter. For projects with eligible project costs of \$20,000 or less, the 35 percent 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 with a business site in Oregon  
**or**  
Be an Oregon non-profit organization, tribe, or public entity that partners with an Oregon business or resident;
2. Own or be the contract buyer of the project;
3. Use the equipment yourself or lease it to another person or business in Oregon; and

The project must meet the additional requirements listed below:

- Must achieve a minimum rating of "Silver" using the U.S. Green Building Council's LEED-NC™, LEED-CS™, or LEED-CI™ rating system in effect as of the project registration date (or be rated and certified by a comparable program approved by the Oregon Department of Energy). Projects receiving a "Gold" or "Platinum" rating will be awarded proportionally larger tax credits, as calculated by the Oregon Department of Energy.
- In achieving its LEED™ rating, the project must earn at least two points under Energy & Atmosphere Credit 1 (Optimize Energy Performance).
- In achieving its LEED™ rating, the project must earn at least one point under Energy & Atmosphere Credit 3 (Additional Commissioning).
- Each LEED-NC™ or LEED-CS™ project must calculate and report the building's annual solar income in Btu (not the site income). The calculation must account for the contribution from each face (orientation with surfaces exposed to direct sunlight) and must take into account any existing or reasonably expected shading (by other buildings or vegetation, e.g.) of these surfaces. Calculations may ignore such things as rooftop or wall-mounted mechanical system components.
- Eligible cost will be calculated in accordance with the following table:

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Building Area	Silver	Gold	Platinum
<b>LEED-NC™</b>			
First 10,000 sq. ft.	\$10.00/sq. ft.	\$13.57/sq. ft.	\$17.86/sq. ft.
Next 40,000 sq. ft.	\$5.00/sq. ft.	\$5.71/sq. ft.	\$9.29/sq. ft.
>50,000 sq. ft.	\$2.00/sq. ft.	\$2.86/sq. ft.	\$5.71/sq. ft.
<b>LEED-CS™</b>			
First 10,000 sq. ft.	\$7.00/sq. ft.	\$9.50/sq. ft.	\$12.50/sq. ft.
Next 40,000 sq. ft.	\$3.50/sq. ft.	\$4.00/sq. ft.	\$6.50/sq. ft.
>50,000 sq. ft.	\$1.40/sq. ft.	\$2.00/sq. ft.	\$4.00/sq. ft.
<b>LEED-CI™</b>			
First 10,000 sq. ft.	\$3.00/sq. ft.	\$4.07/sq. ft.	\$5.76/sq. ft.
Next 40,000 sq. ft.	\$1.50/sq. ft.	\$1.71/sq. ft.	\$2.79/sq. ft.
>50,000 sq. ft.	\$0.60/sq. ft.	\$0.86/sq. ft.	\$1.71/sq. ft.

- Projects using on-site renewable energy production technologies such as photovoltaic or wind technologies may treat these elements as a separate project for tax credit purposes, provided that any points earned for such features in the LEED™ rating are not required to achieve the rating on which the Sustainable Building Project credit is to be based. In cases where subtracting such points would result in a lowering of the LEED™ rating (e.g. from Gold to Silver), the tax credit will be awarded on the basis of the lower rating. The rating point total, net of renewable generation credits, can never be less than that required for a Silver rating.

### 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. There may be tax implications to using the Pass-through Option. Please consult your tax preparer.

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## Timing

The Oregon Department of Energy must receive your Application for Preliminary Certification for Sustainable Building Projects **within 30 days of when you receive your LEED™ Project Registration Number**. If you apply after this deadline, you may request a waiver in writing. The waiver request must demonstrate an extenuating business circumstance that caused the delay in your application. Under extraordinary circumstances, the Oregon Department of Energy Director may extend the waiver period provided the project serves the aims of the program.

To qualify for a Business Energy Tax Credit, 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. You must receive a Final Certificate before the credit can be claimed on an Oregon tax return.

## Confidential Information and Disclosure

The State of Oregon's Public Records Law (ORS 192.410 et seq.) (PRL) applies to tax credit applications submitted to the Oregon Department of Energy. The law states every person has a right to inspect any public record of a public body, subject to certain exceptions.

Trade secrets and confidential business records information may be exempt from disclosure. Certain information, including trade secrets (ORS 192.501(2) and confidential submissions (ORS 192.502(4)), may be exempt from disclosure under exemptions to the PRL. Please consult your legal counsel to determine whether these or other exemptions could apply to your application.

Mark on each page any information that you believe are trade secrets, business records or that is otherwise protected under the PRL and that you request to be kept confidential. Marking information does not guarantee that it will be kept confidential. The Director of the Oregon Department of Energy will make any decisions regarding public disclosure of information contained in this application in accordance with the Oregon Public Records Law.

Under certain circumstances, as set out in ORS 192.445 (1), the personal safety exemption to the PRL, the Oregon Department of Energy is authorized to withhold your address, phone number and electronic mail address. If you want to claim this exemption under the PRL, please contact the Oregon Department of Energy prior to sending in your application for a Business Energy Tax Credit. Please consult your legal counsel to determine whether this exemption applies to you.

The Oregon Department of Energy does not endorse any company that requests application information and does not sell this information as a mailing list.

### **Within 30 days of receiving your LEED™ Project Registration Number:**

1. Complete the Application for Preliminary Certification for Sustainable Building Projects. Send the signed form and the payment for review charges to the Oregon Department of Energy within 30 days of receiving your LEED™ Project Registration Number. Incomplete applications will not be accepted. **Note:** If you are using WORD versions of the application that you downloaded, check the Web site to ensure you have the latest version of the application form. (Dates are in the lower right-hand corner.)

2. The Oregon Department of Energy takes approximately four weeks to review an application and issue a Preliminary Certificate.
3. If you change aspects of the project after receiving your Preliminary Certificate, please submit a signed written detailed description of the changes to the project, the energy savings estimates, and the cost to the Oregon Department of Energy. An increase in cost does not qualify as a project change. If the Department approves a project change, a project owner may be required to pay an additional review charge.

### **After you complete your project:**

1. Apply to the Oregon Department of Energy for final certification. Include a copy of the U.S. Green Building Council (USGBC) Rating Certificate for the project, the USGBC Final LEED™ Review, ASHRAE Energy Cost Budget Comparison Form (or other Department of Energy approved energy performance documentation), USGBC Energy Modeling Table Comparative Assumptions, narrative for Energy and Atmosphere Credit 1, annual solar income calculation (see Department of Energy Web site for calculator).
2. The Oregon Department of Energy will review your final application and may issue a Final Certificate. Under no circumstances can the Oregon Department of Energy approve more than 10 percent above the amount 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 cost.
3. You may file for 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, you may file for the tax credit in one year. You may begin claiming the tax credit the year the project is finished or the year the Oregon Department of Energy issues the Final Certificate.

**Questions?** 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.

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



## Business Energy Tax Credit Application for Preliminary Certification

### Sustainable Building

Are you eligible?	For office use only
<p><b>Yes No</b></p> <p><input type="checkbox"/> <input type="checkbox"/> Have you submitted this application before financially committing to start this energy project? (e.g. signing a contract, ordering equipment, etc.)</p> <p><input type="checkbox"/> <input type="checkbox"/> If no, have you attached a request for a waiver?</p> <p><input type="checkbox"/> <input type="checkbox"/> Do you want to use the Pass-through Option?*</p> <p><small>*The Pass-through Option will allow you to transfer your tax credit project eligibility to another business or individual (a pass-through partner) 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. There may be tax implications to using the Pass-through Option. Please consult your tax preparer.</small></p>	<p>Application #:</p> <p>Date received:</p>

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 Oregon 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 <b>this project</b> :		

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. Name of utility or utilities		
Electric:	Natural gas:	Other:

8. Leadership in Energy and Environmental Design (LEED™) Rating	
<input type="checkbox"/> <b>REQUIRED</b> - LEED™ Project Registration Number: _____	
LEED™ project sought:	<input type="checkbox"/> LEED-NC™ <input type="checkbox"/> LEED-CS™ <input type="checkbox"/> LEED-CI™
LEED™ rating sought:	<input type="checkbox"/> Silver <input type="checkbox"/> Gold <input type="checkbox"/> Platinum

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**9. Eligible project cost for a sustainable building (Use this table to calculate your eligible costs.)**

Building Area	Silver	Gold	Platinum
<input type="checkbox"/> <b>LEED-NC™</b>			
First 10,000 sq. ft.	\$10.00/sq. ft.	\$13.57/sq. ft.	\$17.86/sq. ft.
Next 40,000 sq. ft.	\$5.00/sq. ft.	\$5.71/sq. ft.	\$9.29/sq. ft.
>50,000 sq. ft.	\$2.00/sq. ft.	\$2.86/sq. ft.	\$5.71/sq. ft.
<input type="checkbox"/> <b>LEED-CS™</b>			
First 10,000 sq. ft.	\$7.00/sq. ft.	\$9.50/sq. ft.	\$12.50/sq. ft.
Next 40,000 sq. ft.	\$3.50/sq. ft.	\$4.00/sq. ft.	\$6.50/sq. ft.
>50,000 sq. ft.	\$1.40/sq. ft.	\$2.00/sq. ft.	\$4.00/sq. ft.
<input type="checkbox"/> <b>LEED-CI™</b>			
First 10,000 sq. ft.	\$3.00/sq. ft.	\$4.07/sq. ft.	\$5.76/sq. ft.
Next 40,000 sq. ft.	\$1.50/sq. ft.	\$1.71/sq. ft.	\$2.79/sq. ft.
>50,000 sq. ft.	\$0.60/sq. ft.	\$0.86/sq. ft.	\$1.71/sq. ft.
<b>Building size:</b>	<b>sq. ft.</b>		
<b>Deduct federal grants:</b>			
<b>Note: OAR 330-090-0110 (19)</b> (n) The sum of any rebates or cash payments under ORS 469.631 to 469.645, 469.649 to 469.659, 469.673 to 469.683, or 757.612(5)(a), or from a public purpose organization and the Business Energy Tax Credit may not exceed eligible costs.			\$
<b>Eligible project cost:</b>			\$

**10. Additional requirements**

- This project will earn at least two points under Energy & Atmosphere Credit 1 (Optimize Energy Performance).
- This project will earn at least one point under Energy & Atmosphere Credit 3 (Additional Commissioning).
- This project will calculate and report the building's annual solar income in Btu (not the site income). The calculation must account for the contribution from each face (orientation with surfaces exposed to direct sunlight) and must take into account any existing or reasonably expected shading (by other buildings or vegetation, e.g.) of these surfaces. Calculations may ignore such things as rooftop or wall-mounted mechanical system components.

### 11. Business Energy Tax Credit review charges

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

Total eligible project cost (See Section 9) \_\_\_\_\_ x .0035 = \$\_\_\_\_\_

Minimum charge is \$10. Maximum charge is \$35,000. 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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## 12. Project Owner Preliminary Statement

1. 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.
2. I agree that the project will comply with all local, state and federal requirements. I will obtain all necessary permits.
3. 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.
4. I understand that this tax credit application is a public record and that Oregon Department of Energy may be required by law to disclose information in this tax credit application to the public on request. I have marked any information that I request be kept confidential. I understand that marking information does not guarantee that it will be kept confidential and that the Director of the Oregon Department of Energy will make any decisions regarding public disclosure of information contained in this application in accordance with the Oregon Public Records Law.
5. I understand that the Oregon Department of Energy does not endorse any company that requests information on this application and does not sell information as a mailing list.
6. 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.
7. I understand that the sum of all financial incentives and the tax credit can not exceed the total eligible project cost.
8. I have enclosed a check to the Oregon Department of Energy or will pay by Visa or MasterCard for the review charge.
9. I verify that the project owner does not restrict membership, sales, or services on the basis of race, color, creed, religion, national origin, sexual preference or gender.
10. I have completed this form to the best of my knowledge.
11. I certify that I am the project owner or the authorized agent.

***I have read and agree with the terms, conditions of the Project Owner Preliminary Statement.***

Signature: \_\_\_\_\_ Title: \_\_\_\_\_

Printed 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  
**[www.oregon.gov/energy](http://www.oregon.gov/energy)**