



- **Save Energy = Save Money**
- **Changes for Small Tax Exempt Organizations**

## **Save Energy – Save Money on the road**

Are you worried about your "carbon footprint" and the environment?  
Are gas prices too high? Do you need a new car and want to save taxes?

If any of these apply to you, you should know that the *Energy Tax Incentive Act of 2005* provides significant tax credits for the original purchaser of hybrid vehicles. Hybrid vehicles now come in a variety of sizes to satisfy most driver's needs, and they each get much better gas mileage than the comparable gasoline models.

Some examples of the qualified models and corresponding credit amounts are:

- Chevrolet Silverado Hybrid 2WD, model years 2006 and 2007: \$250
- GMC Sierra Hybrid 4WD, model 2006 and 2007: \$650
- Honda Accord Hybrid, model year 2007: \$1,300
- Honda Civic Hybrid, model year 2007: \$2,100

These credits won't last indefinitely, but they will definitely be here through the end of 2007. So if you've been thinking about a hybrid car, this fall might be the time to act.

## **Save Energy – Save Money in your home**

And if you are trying to save energy (and money) around your house, you might be thinking of installing some more insulation or energy-efficient doors and windows. Or perhaps you need to replace your heat pump, furnace, central air conditioner, or hot water heater. If so, you may want to do it in the next few months because you can qualify for tax credits which are due to expire at the end of 2007. (Congress could always decide to extend these credits, but as of today they have not.) The credits aren't large (there is a lifetime maximum of \$500 with specific limits for each component), but if you are making the purchase anyway, make sure what you buy is certified as qualified energy property.

And if you want to go further in reducing your reliance on fossil fuels, there is also a larger credit (30% of qualifying expenditures with a dollar limit of \$2,000) for installing things like solar water heaters and solar electricity equipment (but specifically NOT for equipment used to heat a pool or



hot tub). This credit doesn't expire until the end of 2008, so you have time to consider whether this might make sense for you.

## Tax-Exempt Organizations: New e-Postcard

Are you on the Board of a tax-exempt organization with under \$25,000 in gross receipts? Have you heard about the new e-Postcard? It is an electronic filing requirement for small tax-exempt organizations, those that do not have to file a form 990, and it begins in 2008. It is important because organizations that fail to file the e-Postcard risk losing their tax-exempt status. You can read more about it at [www.irs.gov/eo](http://www.irs.gov/eo). Or call us; we are always available to help you with this or any other tax question you may have.

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