Consumers who install qualified renewable energy systems like solar and geothermal heat pumps may qualify for federal or state income tax credits or a NYC Real Property Tax Abatement. NYSERDA offers a short-term Renewable Energy Tax Credit Bridge Loan that allows you to borrow a portion of the renewable energy system cost that may be eligible for a federal or state income tax credits or NYC Real Property Tax Abatement. You can repay the Bridge Loan using the savings realized from the renewable energy system or from any other income source. You are encouraged to consult with a tax adviser to confirm your eligibility, and the anticipated value to you, for these tax credits as they are impacted by your federal or state income taxes you owe.

The Bridge Loan will accrue interest on the outstanding principal balance at the approved interest rate until paid in full. Interest will accrue from the contractor paid date, which is the date the loan amount is disbursed to your Contractor identified in the Bridge Loan note. There are no monthly payments required, and the Bridge Loan can be repaid at any time without penalty. You can make partial payments at any time to reduce interest charges that accrue on the loan. The loan must be repaid in full 730 days (approximately 2 years) after the date your system is installed; if not, a $25 monthly late payment fee will be assessed on your Loan.

The Bridge Loan amount may not exceed the maximum amount eligible for federal and state income tax credits or one year of the NYC Real Property Tax Abatement. Review your prior and projected federal/state income tax liabilities to ensure the amount of tax credits that you may be able to use. The Bridge Loan can be used in addition to a NYSERDA loan or loan offered by another lender for the remaining portion of your system cost and repaid under the terms of that loan agreement.

NYSERDA’s loan servicer will provide a monthly statement which will identify the outstanding principal balance, interest rate, accrued interest, loan final maturity date, and instructions for making payments before maturity or to arrange a payoff of your loan obligation.

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2 Federal income tax credit of 26% for systems installed in calendar years 2021 and 2022 and a tax credit of 22% for systems installed in 2023. New York State income tax credit for solar projects equal to the lesser of $5,000 or 25% of your net project cost. NYC Real Property Tax Abatement is 5% of your net project cost (offered for a four year period, but you may only include an amount for one year in your loan).