

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

protection. Americans often commemorate Earth Day by planting a tree or participating in an ...

Apr. 19, 2022

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us



By Intuit Accountants Team.

On April 22, 2022, the United States and much of the world will mark the 52nd celebration of [Earth Day](#), a day set aside each year to promote environmental protection. Americans often commemorate Earth Day by planting a tree or participating in an environmental cleanup. However, there are some longer-lasting things that can be done to protect the environment—and they can often be done in a tax-wise way.

Contribute

One way to aid the environment is to put your money where your mouth is by

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

The value of services performed for a charity is not deductible. However, your clients can claim a deduction for unreimbursed out-of-pocket expenses incurred in performing those services [Reg. Sec. 1.170A-1(g)].

Whether a client has a favorite environmental charity or uses an internet search tool to identify a contribution candidate, you can check out the organization's eligibility for charitable contributions using the IRS's [Tax Exempt Organization Search Tool](#).

Drive

According to the EPA, the average individual's biggest impact on the environment comes from driving—especially when driving a vehicle powered by fossil fuel. One way for your clients to cut down their environmental impact is to switch to an alternative fuel vehicle, such as a plug-in electric vehicle. And, here again, they can qualify for tax breaks.

The tax law provides a credit for new [Qualified Plug-In Electric Drive Motor Vehicles](#), including passenger cars and light trucks [Code Sec. 30D]. The maximum credit is \$7,500: that's \$2,500 plus \$417 for a vehicle that uses a battery with at least 5 kilowatt hours of capacity, plus an additional \$417 for each kilowatt hour of battery capacity over five. However, the credit begins to phase out for a car manufacturer's vehicles when the manufacturer has sold 200,000 qualifying vehicles for use in the United States. The IRS maintains a [list of qualifying vehicles and credit amounts](#) on its website.

Improve

Some relatively small home improvements can result in large energy savings—new insulation or replacement windows, for example. However, tax credits for those types

of improvements have been an on-again, off-again proposition that most recently

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

of the credit percentage from 30% of qualifying expenditures to 26% for 2020 through 2022, and 22% for 2023 [Code Sec. 25D as amended by P.L. 116-260].

Investigate

Incentives for energy-saving improvements are not the exclusive province of the federal government. Tax credits, rebates, and other savings may be available from a client's state or local government. Clients can check for available federal and state benefits on the [Database of State Incentive for Renewables & Efficiency](#). The database is maintained by the North Carolina Clean Energy Technology Center at North Carolina State University, and is funded by the U.S. Department of Energy.

=====

The Intuit® Accountants team provides Intuit ProConnect™ Tax, Lacerte® Tax, ProSeries® Tax, and add-on software and services to enable workflow for its customers. Visit us at <https://proconnect.intuit.com>, or follow us on Twitter @IntuitAccts.

Benefits • Technology

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved