



# Lucas Tax + Energy Consulting

North Carolina Cooperative  
Extension of Chatham County  
March 12 , 2024

[www.lucastaxandenergy.com](http://www.lucastaxandenergy.com)

# USDA REAP Grant Funding Application Support and Tax Incentives Combine to Help Farmers Fund Energy Improvements

## Agenda

1. Introduction/Overview
2. Keys to REAP Grant Application Success
3. Combining Grants and Tax Incentives Overview
4. Closing Thoughts

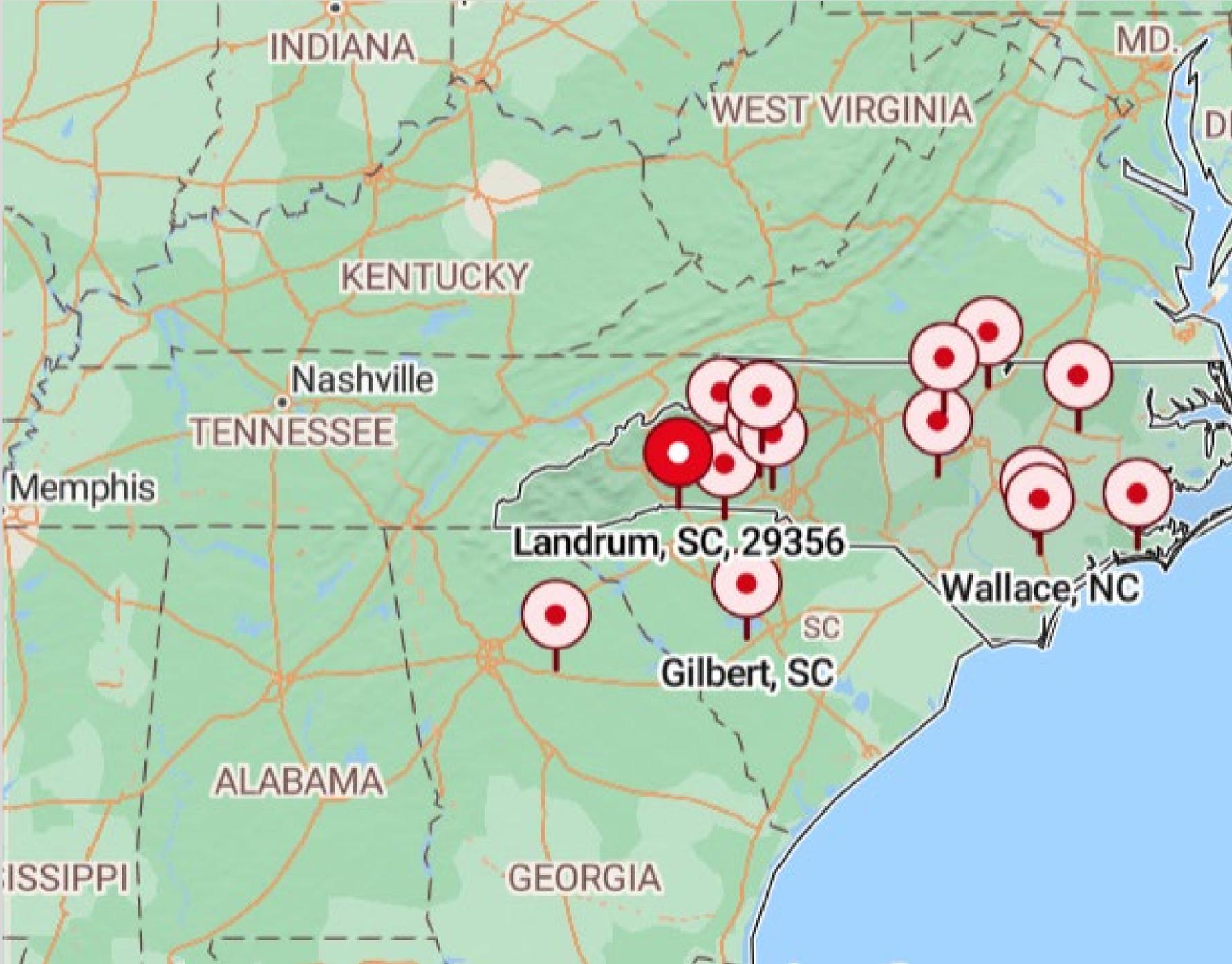


# Randy M. Lucas, CPA



- Founder and Principal Consultant, Lucas Tax + Energy Consulting (2009)
- Licensed Certified Public Accountant (NC)
- More than 25 years of professional experience
- Clean Energy and Energy Efficiency Advocate USGBC-NC and Sustain Charlotte
- 2023 NC Sustainable Energy Association Individual Sustainable Energy Leader of the Year Award Winner
- B.S. Accounting and Masters of Accountancy (Tax Concentration), Virginia Tech

# Lucas Tax + Energy Consulting REAP Grant Filings in 2023



# Case Study Projects: Kiran Fitness LLC, Gaffney, SC, \$253K



# Case Study Projects: 4L Farms, Rutledge, GA, \$173K



# 8 Keys REAP Grant Application Success



REAP is available for energy efficiency and renewable energy projects. This includes renovations/remodeling of ag-operations.



Applicants need to have a full design, contractor identified (including self-construction), and a budget for the project.



Applicants must file a complete application package (forms, checklists, etc.) and register in SAM.gov (Active Registration)



Any size project is eligible to participate:  
Minimum Grant: \$3000 /\$ 5000  
Maximum Grant is \$500K for Energy Efficiency / \$1M for Renewable Energy

# 8 Keys REAP Grant Application Success



Applicants can own or lease land of the proposed project. If leasing, a copy of the lease agreement required for application package.



Timing #1: USDA must review your REAP grant application before any installation or any transactions. Any transactions incurred before 'Complete Application Notice' may be ineligible for grant funding reimbursement.

# 8 Keys REAP Grant Application Success



Timing #2: Applicants have generally 24 months to complete the project after REAP grant has been awarded



REAP grants are reimbursement grants. Applicants need to complete the entire project after the grant obligation has been awarded to receive the reimbursement.

# Combining REAP Grants and Tax Incentives

USDA REAP Grants Awards are Taxable for Income Tax Purposes in the year funds are received by the Awardee(s).

Grants, Investment Tax Credits (ITC), and Other Incentives can be combined.

There are bonus (10%) investment tax credits for Energy Communities, Economically Distressed Communities, and credits for utilizing equipment made sourced from the United States (Domestic Content).

# Combining REAP Grants and Tax Incentives

## Net Investment of Solar PV Tax Credits and Tax Deduction Incentives 2024

Solar Installation Project Cost		<b>450,000</b>
USDA REAP Grant	<b>225,000</b>	
Investment Tax Credit 2024 (30%)	<b>135,000</b>	
Domestic Content Bonus Credit	<b>45,000</b>	
Depreciation (After Tax Value 28% Effective Tax Rate)	<b>107,100</b>	
Tax Liability on REAP Grant @ \$225K @28%	<b>(63,000)</b>	
Total Tax Credits and Incentives (Net)		<u><b>449,100</b></u>
Net Project Cost After Tax Credits and Incentives		<u><b>900</b></u>
		<b>99.80%</b>

# Final Reminders on REAP Grants

3 REAP Grant Application funding cycles remaining: March 31, June 30, and September 30, 2024.

Applicants can file one RES application and one EEI application in the same year.

There is still plenty of time and plenty of funding available for applications, but our recommendation is to start as soon as possible!

# Closing Thoughts on USDA REAP Grant Success

**Formula for REAP Grant Success:**

$$\text{RGS} = \text{I} * \text{C} * \text{I}$$

**Imagination: Create the Vision**

**Communication: Speak the Vision**

**Implementation: Build (& Own) the Vision**



# Want to Know More About How we Can Help YOU?

**Thank You For Your Time. Contact Us To Discuss Further.**



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# Bonus Ways To Help YOU!!

The image shows a screenshot of the Energy Funds For All website. The browser address bar displays <https://energyfundsforall.org>. The website header includes the logo "Energy Funds For All" and a navigation menu with links for "Find Funding For", "FAQ", "About Us", "Testimonials", and "Contact".

## Helping You Get Access to Energy Funding

Energy Funds for All is a resource guide to help NC and SC residents access support for home and community energy projects.

Find Funding For:

The central illustration depicts a woman watering a tree, a glowing lightbulb with a plant inside, a house with solar panels, a man holding a lightning bolt, and a stack of money with a dollar sign.

## EnergyFundsForAll.org

Below the illustration, there are four main categories of funding opportunities:

- Renters
- Homeowners
- Landlords
- Nonprofits

At the bottom right, there is a language selector showing "EN" with a flag icon.