



ECO-ORLAN USA LLC

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FEDERAL TAX DEDUCTION AVAILABLE TO BUSINESSES PURCHASING OUR PRODUCT

Congratulations on your purchase of the Paxo Wood Boiler Biomass Stove! At Eco-Orlan USA LLC, we are dedicated to providing value to our customers and would like to make you aware of a **Federal Business Tax Deduction** your company may be eligible for upon the purchase of our product. Here is an overview of the details:

The United States Government offers an **Energy Efficiency Commercial Buildings Federal Tax Deduction** (under the authority of H.R. 1424: Div. B, Sec. 303 (The Energy Improvement and Extension Act of 2008)) to businesses making energy efficiency upgrades to their commercial buildings. This tax deduction is available for energy efficiency upgrades made from January 1, 2006 through December 31, 2013. The key step is for your company to prove that your building has achieved a savings of 50% or more on energy usage. The deduction is higher if your building achieved a higher efficiency rate, and lower if you haven't achieved that rate. Either way, you are eligible for a tax deduction.

- A tax deduction of \$1.80 per square foot is available to owners of new or existing buildings who install (1) interior lighting; (2) building envelope, or (3) heating, cooling, ventilation, or hot water systems (that's the Paxo Wood Boiler) that reduce the building's total energy and power cost by 50% or more in comparison to a building meeting minimum requirements set by ASHRAE Standard 90.1-2001.

- Energy savings must be calculated using qualified computer software approved by the IRS. Go to this website for the list of approved software:

http://www1.eere.energy.gov/buildings/qualified_software.html

- Deductions of \$0.60 per square foot are available to owners of buildings in which individual lighting, building envelope, or heating and cooling systems meet target levels that would reasonably contribute to an overall building savings of 50% if additional systems were installed (but who aren't able to prove it).

- The deductions are available primarily to building owners, although tenants may be eligible if they make construction expenditures.

- In the case of energy efficient systems installed on or in government property, tax deductions will be given to the person primarily responsible for the systems' design.

- Deductions are taken in the year when construction is completed.

There is no special form to claim the deduction.

The IRS instructions to business forms (e.g. Form 1120 for corporations, Form 1120-S for S corporations, and Form 1065 for partnerships) indicate that the taxpayer should include the amount of the deduction in the amount in the "Other deductions" line of the tax return. A statement listing the types and amounts of "other deductions" should be attached to the return. In addition, it is important that a taxpayer obtain and retain the necessary certifications and documentation to claim the deduction (see, IRS Notice 2006-52 for these requirements).

Thank you very much for purchasing our product. We have made every effort to describe these tax incentives accurately. However, we cannot provide tax advice and suggest you contact a tax professional on how to calculate this federal tax credit specific to your situation.

Additional Resources:

The Energy Star Program
(888) 782-7937

www.energystar.gov/taxcredits

www.efficientbuildings.org

http://dsireusa.org/incentives/incentive.cfm?incentive_Code=US40F&re=1&ee=1