

Energy-savers qualify for income tax credits

As supplies of traditional energy materials dwindle, it makes sense not only to try to conserve energy but to find alternative sources as well. Many people are taking such steps in an attempt to save on their utility bills. And now, for the first time, there's help in the form of a new income tax credit for qualified energy investments.

As a result of recent legislation, homeowners and renters can claim a total tax credit of up to \$300 for energy conservation devices installed between April 20, 1977 and Dec. 31, 1985.

Energy-saving devices that qualify for the credit are:

- insulation;
- storm or thermal windows and doors;
- furnace replacement burners;
- weather stripping and caulking;
- fire-opening modifications to improve heating systems;
- an electrical or mechanical furnace ignition system which replaces a gas pilot light;
- clock thermostats, and

— meters which display the cost of energy usage.

The credit amounts to 10 per cent of the first \$2,000 of qualifying expenses, to a maximum of \$300.

While the credit cannot exceed your tax liability, it is allowed each year you install qualifying energy saving devices until you reach the \$300 maximum. If you move to a new principal residence, the \$2,000 expense limitation starts again.

Let's say you had done some insulation installed in your home, at a cost of \$800. Fifteen per cent of \$800 is \$120, so your credit is \$120, provided you have a tax liability of at least that much. But you haven't used up the total credit. Therefore, if you spend an additional \$700 installing storm windows and doors next year, you can claim another credit of \$105. You would still have a credit to claim the credit until your total amounted to \$300. You cannot claim a credit less than \$10, on either a separate or joint return.

Tenant-stockholders in cooperatives and members of condominium management associations may also claim a share of the credit for their qualifying "qualifying" property, as long as the cooperative or condominium is their principal residence.

Something else to remember is that the credit is available only for the costs of devices installed in your principal residence, and it must be installed in the U.S. Construction of the residence has to have been substantially completed before April 20, 1977.

Vacation or summer homes do not qualify. And note you must actually have installed the conservation devices; merely purchasing them will not qualify for the credit.

You can also claim a tax credit if you install renewable energy source property, such as solar, geothermal, or wind energy equipment to heat or cool your residence or to heat water for your home. Keep in mind that this credit is 30 per cent of the first \$2,000 in expenses, plus 20 per cent of the next \$8,000 spent, to a maximum total credit of \$2,000, based on expenditures made between April 20, 1977, and the end of 1985.

Credits for energy conservation expenditures are entered on line 45, Form 1040.

You must be the original user of the equipment, which has to have a useful life of at least five years. Here again, the equipment must be installed, and not merely purchased, for your principal U.S. residence. This credit is cumulative until you reach the \$2,000 maximum, and cannot exceed your tax liability in any one year. However, unused credits may be carried forward.

Therefore, if you installed solar heating equipment at a cost of \$6,000, your credit is 30 per cent of the first \$2,000 of costs, or \$600, plus 20 per cent of the remaining \$4,000 or \$800, for a total of \$1,400. You would still have \$800 to use up before 1986.

Because both types of expenses are claimed as credits, rather than deductions, you do not have to itemize deductions to take advantage of these new provisions, but you must use the amount you claim is subtracted directly from your tax liability. You also must compute the credit on a new Form 5695, "Energy Credits," and attach it to the Form 1040. Form 5695 appears in the 1980 tax package and is also available at many banks, post offices, and from local IRS offices.

Special rules apply for computing the energy credits if more than 20 per cent of the use of the item is for business purposes. Only that part of the energy saving expenses allocable to the residential portion can be claimed as a credit.

The skipki, which looks like a cross between a horse and an zebra, is actually related to the giraffe.



FFA winners

NCHS Future Farmers of America members winning "good" or above ratings at the Blue Grass Regional FFA Day meet at UK included, (front row, from left, Rudy Handolph, Jerry Craig, Darrin Green, John Doyle, Dean Hinton; Back row, from left: Mich Sargent, Randy Hunter, Grant Mathes, Steve Hamilton, Phillip Rose. The group won four "superior", six "excellent" and four "good" ratings out of 14 entries. Frank Terrell, not pictured, was regional winner in swine production.—Mercury photo.

SCS news

by Willmer Halcomb, S.C.A.

Most sportsmen and hunters have put their guns away for the 1978 and 1979 hunting season, but for the sportsman and nature lover now is the time to help wildlife for next year and other years to come. By doing some planning and carrying through with the plans one can help wildlife have food, cover, and water. The food, cover, and water are musts for good wildlife production.

One can plan food plots by leaving some of the small grain now planted as a cover crop. Planting some corn in an odd area to leave for wildlife or plan to leave a row or two of corn near an area that has cover for wildlife. Planting milo, millet, soybeans, or clover is another source of food for wildlife.

There are many more plants that can be planted that are beneficial to wildlife food and cover. Planting medium water to be left if possible. The source of water can be near a pond, branch, creek, spring, or some other source of water.

Much of our wildlife also will eat and need such plants as mulberries, blackberries, apples, walnuts, cherries, and grapes.

The Soil Conservation Service can help you plan some of the things that benefit wildlife and it will take but little expense or additional use of land.

I would like to mention the ground hog. The ground hog needs to be kept under control but don't be too hard on him for he is very beneficial to the other animals. The ground hog is the den builder. The ground hog will have five or six dens. He keeps many dens cleaned out that other animals use.

If you need to control the ground hog from digging dens under or around your building they make good target practice. A good idea that likes to kill ground hogs is one of the most effective means in controlling ground hogs. Trapping is another way to get rid of the ground hog but you may catch other animals if you trap.

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Burley program changes told

Burley tobacco plans for the new 1979 crop are to be affected by some important changes in the price support and production control program. These include:

1. A 6.9 per cent increase in the price-support average, to help meet farmers' higher production costs.
2. Ending of excess-quota privileges, or the so-called processed tobacco carryover program.
3. Some lease and transfer changes, plus requirements for filing reports of tobacco on hand at end of the marketing season.
4. Lower effective (farm) quotas of about 2 pct., which may mean slightly lower marketings for some growers.

The Burley Tobacco Growers Cooperative Association and some other tobacco farmer groups had supported the carryover revisions. Directors of the Association had gone even further in their recommendations, and asked that the carryover (or excess) practice be ended, or if not banned completely,



Unloading

New furniture for the soon-to-be-completed Nicholas County Hospital was unloaded recently. The furniture, in several different shades, will be placed in patient rooms and the lobby. Helping unload were, foreground, Lloyd Duncan, housekeeping supervisor; Jamie Smith, left; Betty Humphries, right, and Juanita Ring, background.—Mercury photo.

Dishonorable discharges can now be reviewed

Major veterans service organizations have joined the Department of Defense and Veterans Administration to aid veterans with undesirable discharges. Veterans with such discharges (now called "Discharge Under Other Than Honorable Conditions") may call for a review in an effort to have them upgraded. The deadline for applying for the review is Jan. 1, 1980. The 18-year period in which applications were to be made no longer applies.

Applications for discharge review may be obtained from most military installations, VA regional office and veterans service organizations.

Service organizations involved in the effort are Red Cross, American Legion, Disabled American Veterans, Jewish War Veterans of the U.S.A., Veterans of Foreign Wars, AMVETS and other organizations.



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