

## Taxes and Rebates

The Alaska Housing Finance Corporation does not give tax advice. AHFC is required under Section 6041 of the Internal Revenue Code to provide a Tax Form 1099 G for any payments\* made to individuals participating in the Home Energy Rebate or New Home Rebate programs.

The individual receiving a Tax Form 1099 G from AHFC is encouraged to consult a tax professional as to what, if any, tax implications arise from payments made under the Home Energy Rebate or New Home Rebate programs.

The following is a link from the IRS regarding State Energy Rebates

<http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Issues-Closed-in-Calendar-Year-2011-Sorted-by-Subject>

### IMRS 11-0001463 – State energy rebates

**Issue:** A tax practitioner's client received a Form 1099 from the state reporting a payment from the state's home energy rebate program. The practitioner doesn't think the payments are taxable or that the 1099 should have been issued.

**Response:** Many energy incentives are referred to as "rebates" even though they do not constitute rebates for federal tax purposes. Generally, only a manufacturer, distributor or installer of equipment can properly make a rebate for the costs of energy conservation equipment. Energy incentive payments from state and local governments that are includible in gross income must be reported using box 6 of Form 1099-G. There is no minimum dollar threshold for this reporting requirement.

## 2012 Instructions Form 1099 G

### Box 6. Taxable Grants

Enter any amount of a taxable grant administered by a federal, state, or local program to provide subsidized energy financing or grants for projects designed to conserve or produce energy, but only with respect to energy property or a dwelling unit located in the United States. Also, enter any amount of a taxable grant administered by an Indian tribal government.

Report amounts of other taxable grants of \$600 or more. A federal grant is ordinarily taxable unless stated otherwise in the legislation authorizing the grant. Do not report scholarship or fellowship grants. See *Scholarships* in the Instructions for Form 1099-MISC.

\* **Effective Immediately:** Beginning in 2012 participants who received a reimbursement or rebate of any amount will receive a Tax Form 1099 G.

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