

## Energy law could stimulate solar industry

BY MIKE KLUSAW

Nebraska legislators passed the energy bill, LB799, this year to try to increase economic activity, according to Dan Meyer, a research analyst with State Sen. John DeCamp's office.

The law, signed by Gov. Charles Thone, takes effect July 16. It provides income tax credits to people and corporations who install renewable energy systems in their homes or buildings.

It also repeals current sales and property tax credit incentives to solar energy systems buyers after July 16.

Anyone who installs a solar energy system on or after January 1, 1982 is eligible for the income tax credit when they fill out their 1982 state income tax form, said Pete Davis, Nebraska Energy Office energy programs administrator.

### Tax credit offered

During 1982, consumers get a 30 percent income tax credit on the cost of the system, or \$3,000; whichever is less, Davis said. The maximum credit is doubled for corporations, which is 30 percent on the cost of the system, or \$6,000, whichever is less, he said.

For a corporation to receive credit, it would have to spend \$20,000 to purchase and install the system, Davis said.

Consumers can install either active or passive solar heating systems or windmills.

An active solar heating system consists of a solar collector which gathers heat and

transfers the heat by mechanical means to other parts of a building.

A passive solar heating system relies on natural heat transfer properties, not on machinery. It works on the green house effect, such as having windows on the southside of a building. Flooring, like concrete, also absorbs heat.

### Law should stimulate economy

Besides providing the consumer income tax credit, the law should stimulate the state's economy, Meyer said. There is a significant cash outflow out of the state because Nebraska imports 95 percent of its energy needs, such as natural gas and coal, Meyer said.

The law's authors wanted to reverse this outflow, Meyer said. There are three ways to reverse the outflow. One way is to use less energy by keeping homes colder. Another conservation method is to promote more efficient energy use. The third way is to reduce the use of out state energy resources, Meyer said.

The law's main goal is to reduce cash outflow, Meyer said. LB799 also is intended to encourage efficient energy use, Meyer said.

### Law made sense

"The legislators passed the bill because it made economic sense," Meyer said.

People have begun to add their energy costs to their home costs Meyer said.

Energy costs are beginning to exceed other costs, Meyer said. Meyer concluded

that if energy costs exceed other costs then people cannot afford to buy a home or other things, Meyer said.

With solar heating systems, people can build homes using 80 percent less energy, Meyer said. Fifty percent of the new homes on the market have passive solar heating, Meyer said.

Nebraska is the first state to pass a bill stimulating the passive solar heating industry, Meyer said.

The law's tax incentive will decrease over the next five years, until it expires in 1986. By 1986, the solar energy systems buyer will only get a 10 percent income tax credit, or \$1,000. By 1986, a corporation will only get a 10 percent income tax credit, or \$2,000.

### Solar industry should grow

Meyer said he believed the solar industry will grow and solar energy system prices will go down. As the tax incentive decreases, so should the systems' price, he said.

The tax incentive decrease, also provides an incentive for people to put a system in now, Davis said.

### The law has added bonus

If a purchaser installs a system before July 16, they can have an added bonus. A loophole in the law allows a purchaser to get income tax credit, sales tax credit and property tax credit before the bill becomes a law, Davis and Meyer said.

The sales and property tax credits were

repealed because they did not provide very much incentive, Meyer said.

Similar laws in California, Kansas and Colorado showed that the best incentive was the income tax credit, Meyer said.

### Grant provisions included

The energy bill also provides \$100,000 in state grants to cities, counties, towns or natural resource districts that install a geothermal system.

A geothermal heating system uses heat from underground hot springs to warm a building. Grant applications are made to the Nebraska Energy Office. A committee decides what projects will be funded, Davis said.

The grant committee will base their decision depending on the project's life expectancy, energy savings and the project type, Davis said.

The grant recipient must put up matching money, amounting to half of the grant requested, Davis said. Thus a grant would only pay for part of the system's cost, he said.

Grant applicants can receive money if they install the system either in an old or new building, Davis said.

Conceivably, they could build a new building with a geothermal system, but the grant will only be for the geothermal system not for construction of the building, Davis said.

They can start building now and apply for money later, Davis said.

## Bartering system grows as the dollar decreases

BY JIM ANDERSON

Mike Berger says he'll do business with anyone who has a marketable product. Berger, owner of Lincoln's Exchange Enterprises, Suite 1, 4108 Progressive Ave., is involved in bartering, which he said is a growing business in Lincoln as well as the rest of the country. There are about 70 members in Exchange Enterprises in Lincoln, Berger said, and the number is growing as the value of the dollar decreases. Berger said a membership fee of \$50 plus yearly dues is the only cash which members of Berger's system put into his business. Part of his business's rent and a portion of his employees' salaries are paid with bartering but he looks forward, he said, to the day when most of his business expenses can be paid that way.

### Bartering for large-scale transactions

Berger said the difference between trading, which he calls one of the world's oldest practices, and bartering is that trade takes place between only two parties and bartering is the exchange of goods or services involving three or more parties. Some transactions, Berger said, are suited for trading but some on a larger scale are not and in these cases bartering is the thing to do. Berger uses as an example of how bartering works, an imaginary shoe merchant who needs \$5,000 worth of printing done for him. Buying the printing, said Berger, may be too expensive and trade wouldn't work because the printer may not need \$5,000 worth of shoes. The shoe merchant in the example can bring his shoes to an exchange, a middleman or a clearinghouse, he said, and their worth will be credited to his account there. The printer may also have brought \$5,000 worth of printing services to the exchange and his account is likewise credited with \$5,000. Berger said the shoe merchant can then receive his printing and the printer can receive whatever he wants from the exchange — from the store of products and services brought there by the its other members. The shoe merchant receives his \$5,000 worth of printing Berger said, but it has only cost him the wholesale price of his shoes.

Exchange Enterprises, Berger said, takes a 10 percent fee on each trade it conducts. Most in the exchange are businessmen or professionals, he said, but he will accept as a member anyone who has a marketable product or service. According to the Internal Revenue Service, bartering is a legitimate business practice and, said an IRS representative, it is taxed according to the market value of the products exchanged. The state views bartering in the same way the IRS does, said Karl Cochrane of Nebraska's Department of Revenue. Bartering as a business practice is also subject to a state sales tax, he said. Over 60 percent of the companies listed in the New York Stock Exchange practice bartering between one another. It's just plain good business, he said. Exchange Enterprises was begun in Salt Lake City over 10 years ago by Gaylen and Ross Rigby and now has 76 franchises nationwide, most in the western United States. There are 10 franchises in Nebraska.

## UN-L artist wins Patroness Award

Dan F. Howard, chairman of the art department at the University of Nebraska-Lincoln, received a \$500 Patroness Award at the MID-Four Juried Art Exhibition. Howard received the award for the oil painting, "Pushing Mass and Light."

The MID-Four Exhibition is showing at the Nelson Gallery in Kansas City, Mo., through June 13. The exhibit consist of art works submitted by artists from Nebraska, Iowa, Kansas, and Missouri.

Selections for the exhibit and designation of awards was made by Diane Waldman, assistant director of the Guggenheim Museum in New York City. Eight works by 55 artists were accepted for the exhibition.

Howard is also displaying oil paintings at the You Horwich Gallery in Chicago through June. The Chicago exhibit include Howard's paintings "English Interiors," "Fronts," and "Bondage."



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