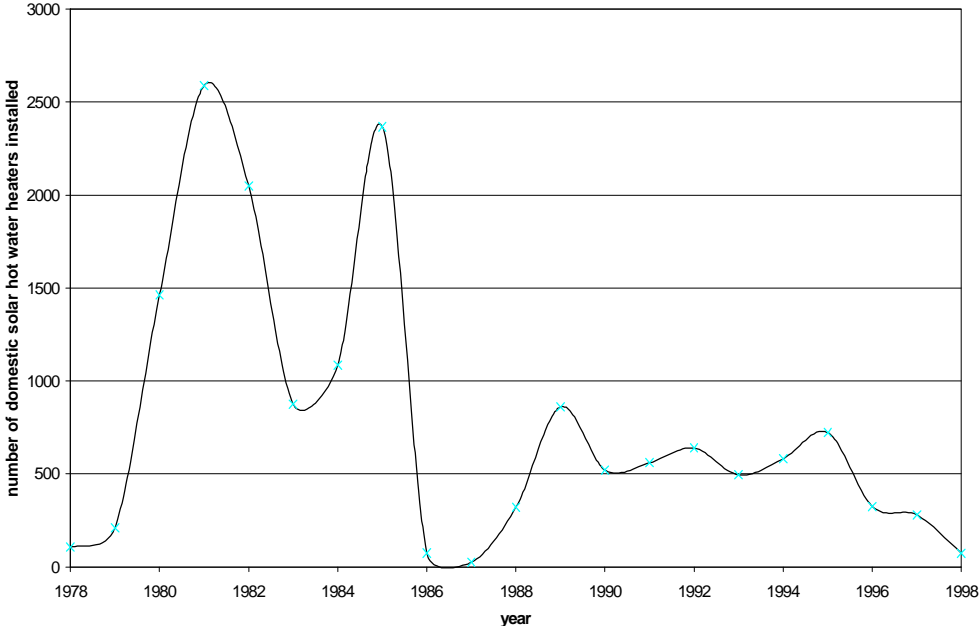


Between 1978 and the end of 1985, the U.S. government offered residents a 40% income tax credit (up to a maximum of \$3000) on the cost and installation of solar hot water heaters. During this period, many states also offered state tax credits or other programs to encourage residential solar hot water heaters. Together, these incentives led to the installation of a large number of systems. However, when the federal tax credit sunset in 1986, most of the state programs also dropped off, and the number of solar hot water systems installed each year plummeted. (See graphs for Oregon and Hawaii.)

Oregon Domestic Solar Hot Water Systems, 1978-1998

(based on tax credits taken)



Hawaii Domestic Solar Hot Water Systems, 1978-1998

(based on tax credits taken)

