

## Mr. Green seeks green investors for environmental projects

Contributed by Susan Wolf

Monday, February 09, 2009 00:00

---



Robert Green has a way to help the environment and at the same time make green projects economically appealing to investors.

Mr. Green, a Redding resident, is CEO and founder of Green & Company, CPAs, LLC ([GreenTraderTax.com](http://GreenTraderTax.com)), a virtual tax and accounting firm catering to traders and investment management businesses. He also owns a publishing company and leads an advocacy alliance for traders.

His “added value” for green investors is the tax breaks that may be derived, he said. “Environmental projects can be profitable after tax benefits, even in a recession, and with current lower energy prices,” he said.

Mr. Green, who with his wife Anne has lived in Redding since 1999 while spending weekends in Manhattan, said he is interested in Redding for a green investment project because it is in his backyard. “I feel anyone who supports the environment needs to put their money and/or work where their mouth is, in their own backyard. It’s not fair to say it should only be in others’ backyards.” **‘Business opportunity’**

Green projects under his proposal “are a great business opportunity and bring a great business and profits to our community. These would be environmentally friendly projects that meet the lifestyle goals of Redding, which values the environment.” Plus, he added, Redding and the rest of Fairfield County have wealthier residents who have the capital and interest to actively invest in these projects.

His idea, said Mr. Green, adds a tax savings to the mix. “Business ownership of assets with profits and cash flow meld the economics and the environment. Going green is more expensive, but the tax benefits make it less expensive.”

He explained that President Obama and a Democratically controlled Congress will have free rein to launch their green energy new economy initiatives in 2009, which are expected to bring new tax breaks. These include 100%, or highly accelerated depreciation and other fiscal incentives, he said. Faster depreciation means tax benefits are more immediate in the first year, said Mr. Green.

### The ‘magic’

While there will be new tax credits for green energy investing, “the magic” of his idea, he said, “is for some ‘active’ investors to navigate around the restrictive ‘passive activity loss’ deferral rules.”

Congress reined in tax shelters in the 1980s, he said, by passing passive activity loss rules so passive investors could not reap undue tax benefits on real estate investment. For active investors, like most business owners, these restrictions do not apply, Mr. Green said.

“A Redding project for investing in green energy could be structured in such a manner to be like a regular business,” he said, with Redding neighbors providing their own hard work “in this cooperative for profit.” Like a family business, this cooperative “could save money by not paying the owner/manager salaries and using equity instead of debt to save on interest costs.” There would be tax benefits upfront that would reward the investors, he said, making the green energy investment break even with later net income and cash flow, “plus we all succeed in saving our environment.”

Active investment tax breaks, said Mr. Green, require between 100 and 500 hours or more of work per year (material participation rules) “to navigate around the passive activity rules. Additional tax breaks can be derived from active investors claiming home office deductions, travel and other personally generated business expenses,”

## Mr. Green seeks green investors for environmental projects

Contributed by Susan Wolf  
Monday, February 09, 2009 00:00

---

Mr. Green added.

He sees some projects in town as a kind of private/public partnership. "This is a good idea," he said, because the biggest obstacle to alternative green energy installation is NIMBY (not in my backyard) objections."

Mr. Green wants to explore ideas for projects with other people in town as active investor parties.

### Local project?

One project to consider is to provide the remaining solar panels needed for Redding Elementary School, he said.

The town participates in the "20% by 2010" campaign, which commits the town to having 20% of its electricity come from renewable energy sources by 2010. For every 100 residents who sign up, the Connecticut Clean Energy Fund provides two one-kW solar panels. The town plans to put solar energy panels on the section of Redding Elementary School that still uses electric heat.

So far, the town has earned three of the eight panels it needs for the full usage of solar energy.

A green investment project could buy the remaining solar panels for the elementary school (with subsidy from the Connecticut Clean Energy Fund), said Mr. Green, and the town could continue to earn panels for other buildings.

Members of an LLC created for this project could earn profits on these assets and the school could get energy savings, said Mr. Green. "We are talking about reasonable profits," he said, explaining that the schools now pay for power at the current market price, but with this investment group would pay less for power and earn the panels free over time. There could also be a lease buy option or a lease to own option at no extra cost, he said. "In this way, the school doesn't have to wait to get the panels," he said.

The investors make money from tax breaks initially and revenues over time, said Mr. Green, "and the school pays a lower price for power while earning its free panels."

If the town earns more panels than it needs, it could sell them to the LLC at a reasonable price for projects around or out of town, said Mr. Green.

### Other projects

Other potential projects for investors could be a solar farm and green building. "There are opportunities to make a lot of buildings, both public and private, green around Redding," said Mr. Green. "Even a small project like converting your own home to alternative energy and selling excess energy to your neighbors may work in the future. Selling energy to your neighbors makes it a business activity with enhanced tax breaks. State and local rules need to be assessed and followed.

There would also be other initiatives for investment besides the needs of the town, he said.

Mr. Green hopes residents "will embrace these trends and profit from them." He is willing to be a leader in this effort. "If this project succeeds, I would do it nationwide," said Mr. Green.

Mr. Green is the author of *The Tax Guide for Traders* (McGraw-Hill 2004) and the Business of Trading column for *Active Trader* magazine. He is frequently interviewed and has appeared in the *Wall Street Journal*, *Forbes*, *Fortune*, *Barron's*, *Fidelity Investments* and *CyberTrader* newsletters, and many other media. Mr. Green has also appeared on *CNBC*, *Bloomberg Television*, *Forbes.com Video Network*, and several radio shows.

For more information, visit [www.greenenergyactiveinvestors.com](http://www.greenenergyactiveinvestors.com) or e-mail [greenactiveinvestors@greencompany.com](mailto:greenactiveinvestors@greencompany.com). {sharethis}