

SUMMARY OF TAX CREDITS FOR HOMEOWNERS

Category	Type	Tax Credit	Tax Credit Eligibility Specification	Notes
Windows & Doors	Exterior Windows and Skylights	10% of cost, up to \$200 ²	ENERGY STAR qualified OR meets IECC ¹	All ENERGY STAR labeled windows and skylights qualify for tax credit. Credits cover components only, and do not include cost of onsite prep, assembly or installation.
	Storm Windows	10% of cost, up to \$200 ²	Meets IECC ¹ in combination with the exterior window over which it is installed, for the applicable climate zone	Manufacturer's Certification Statement ³ required
	Exterior Doors	10% of cost, up to \$500 ²	Meets IECC ¹	Most ENERGY STAR doors qualify for tax credit. Installation costs are not included. Manufacturer's Certification Statement ³ required.
	Storm Doors	10% of cost, up to \$500 ²	In combination with a wood door assigned a default U-factor by the IECC ¹ , and does not exceed the default U-factor requirement assigned to such combination by the IECC.	Manufacturer's Certification Statement ³ required
Roofing	Metal Roofs	10% of cost, up to \$500 ²	ENERGY STAR qualified	All ENERGY STAR labeled metal roofs qualify for the tax credit. <ul style="list-style-type: none"> • Must be expected to last 5 years OR have a 2 year warranty. • Installation costs are not included. • Manufacturer's Certification Statement³ required.
Insulation	Insulation	10% of cost, up to \$500 ²	Meets 2000 IECC & Amendments	For insulation to qualify, its primary purpose must be to insulate. (Example: vapor retarders are covered, siding does not qualify). <ul style="list-style-type: none"> • Must be expected to last 5 years OR have a 2 year warranty • Installation costs are not included • Manufacturer's Certification Statement³ required
HVAC	Central A/C	\$300 ²	EER 12.5/SEER 15 Split Systems EER 12/SEER 14 Package systems	Not all ENERGY STAR products will qualify for the tax credit. The ENERGY STAR specification is: <ul style="list-style-type: none"> • EER 11.5/ SEER 14 Split systems, EER 11/SEER 14 Package systems • Manufacturer's Certification Statement³ required
	Air Source Heat Pumps	\$300 ²	HSPF 9, EER 13, SEER 15	Not all ENERGY STAR products will qualify for the tax credit. The ENERGY STAR specification is: <ul style="list-style-type: none"> • HSPF 8.2 EER 11.5 SEER 14 Split systems, HSPF 8 EER 11 SEER 14 Package systems • Manufacturer's Certification Statement³ required
	Geo-Thermal Heat Pump	\$300 ²	Same criteria as ENERGY STAR: EER 14.1 COP 3.3 Closed Loop EER 16.2 COP 3.6 Open Loop EER 15 COP 3.5 Direct Expansion	All ENERGY STAR labeled geo-thermal heat pumps qualify for the tax credit. Manufacturer's Certification Statement ³ required
	Gas, Oil, Propane Furnace or Hot Water Boiler	\$150 ²	AFUE 95 for both furnaces and boilers	Not all ENERGY STAR products will qualify for the tax credit. The ENERGY STAR specification is: <ul style="list-style-type: none"> • AFUE 90 for furnaces, AFUE 85 for boilers • Manufacturer's Certification Statement³ required
	Advanced Main Air Circulating Fan	\$50 ²	No more than 2% of furnace total energy use	Manufacturer's Certification Statement ³ required
Water Heaters	Gas, Oil, Propane Water Heater	\$300 ²	Energy Factor 0.80	Only some tankless water heaters currently qualify. This is about 20 percent more efficient than the current federal standard. Manufacturer's Certification Statement ³ required.
	Electric Heat Pump Water Heater	\$300 ²	Energy Factor 2.0	Manufacturer's Certification Statement ³ required
Solar Energy Systems	Solar Water Heating	30% of cost, up to \$2,000	At least half of the energy generated by the "qualifying property" must come from the sun. Homeowners may only claim spending on the solar water heating system property, not the entire water heating system of the household.	The water must be used in the dwelling. The system must be certified by the Solar Rating and Certification Corporation (SRCC). The credit does not apply to systems used to heat swimming pools or hot tubs.
	Photovoltaic Systems	30% of cost	Photovoltaic systems must provide electricity for the residence, and must meet applicable fire and electrical code requirement.	The tax credit can be used for up to \$2,000.
Fuel Cells	Fuel Cells	30% of the cost	Efficiency of at least 30% and must have a capacity of at least 0.5 kW	The tax credit can be used for up to \$1000 per kW of power that can be produced.

¹International Energy Conservation Code plus recent supplements.

²Subject to a \$500 maximum per homeowner for all improvements combined.

³A Manufacturer's Certification is a signed statement from the manufacturer certifying that the product or component qualifies for the tax credit. The IRS encourages manufacturers to provide these Certifications on their website to facilitate identification of qualified products. Taxpayers must keep a copy of the certification statement for their records, but do not have to submit a copy with their tax return.

Save Money

In addition to saving money on taxes, the return on investment for making these improvements could save hundreds of dollars in energy bills, as well as boost the value of your property. To determine the most cost effective improvements for your home, please review the Summary of Tax Credits for Homeowners chart located on the infold of this brochure.

Lower Taxes

The tax credits available to you under the Energy Policy Act of 2005 apply to many types of home improvements including adding insulation, replacement windows, and certain high efficiency heating/cooling equipment. To take advantage of the tax incentives, these improvements must be made between Jan. 1, 2006, and Dec. 31, 2007. A good source of these energy efficient solutions would be those labeled with the ENERGY STAR logo. However, not all ENERGY STAR qualified home improvements and products qualify for a tax credit. For a list of qualifying products, see the Summary of Tax Credits for Homeowners chart.



For More Information

www.energystar.gov

ENERGY STAR is a government-backed program helping businesses and individuals protect the environment through superior energy efficiency.

www.energytaxincentives.org

The Tax Incentives Assistance Project (TIAP) is sponsored by a coalition of public interest nonprofit groups, government agencies, and other organizations in the energy efficiency field. TIAP is designed to give consumers and businesses information they need to make use of the federal income tax incentives for energy efficient products and technologies passed by Congress as part of the Energy Policy Act of 2005.

PLEASE NOTE: The new law is complex and involves interpretation of Federal Tax Code. This information is not intended to provide legal advice to the new law or is a legal interpretation of the new law. Please contact a tax professional and/or the IRS for final interpretation of the new incentive laws.



Save Energy. Save Money. Lower Taxes.



Energy Policy Act of 2005



What is EAct?

The Energy Policy Act of 2005 (EAct), among other benefits, offers numerous tax incentives to residential consumers to improve the energy efficiency of new or existing homes. Unlike a deduction, which reduces the amount of taxable income, a tax credit directly reduces the amount of income tax owed by a consumer.



Save Energy

There are many things you can do to save energy in your current home, or when designing and building a new energy-efficient house. Whether you choose no/low cost improvements or invest in long-term energy saving strategies, the areas to address often begin with windows, insulation, and heating and cooling equipment.