



New Tax Credit for Energy-Efficient Home Improvements

Now is a great time for current homeowners to make their homes more energy-efficient. Included in the latest Federal Economic Stimulus package is a 30% tax credit for specific energy-reducing upgrades placed in service after January 01, 2009. Because it is a tax credit, it is deducted directly from the federal income taxes you owe.

Types of Improvements That May Qualify for the 30% Credit

<u>Description</u>	<u>Lifetime Cost Cap</u>	<u>Credit Available Through</u>
Solar-Energy Panels - Materials/Installation	None	2016
Solar-Energy Water Heaters – Materials/Installation	None	2016
Geothermal Heat Pumps – Materials/Installation	None	2016
Small Wind-Energy Systems – Materials/Installation	None	2016
Fuel Cells – Materials/Installation	None	2016
Energy-Efficient Windows – Materials/Installation	\$1,500	2010
Energy-Efficient Doors – Materials Only	\$1,500	2010
Energy-Efficient Roofing – Materials Only	\$1,500	2010
Energy-Efficient Insulation – Materials Only	\$1,500	2010
Energy-Efficient Furnaces – Materials/Installation	\$1,500	2010
Energy-Efficient Air Conditioning Systems - Materials/Installation	\$1,500	2010
Energy-Efficient Heat Pumps – Materials/Installation	\$1,500	2010

Important: Each category includes specific product types and these have a tax credit specification which must be met to qualify. Be sure to check to your supplier/installer to make sure the energy upgrade meets the required specifications.

Not Covered: The following are simple improvements that can reduce your carbon footprint, but do not qualify for the tax credit:

- Dishwashers
- Clothes Washers
- Room Air-Conditioners
- Insulated Siding
- Ceiling Fans
- Programmable Thermostats
- Electric Tank Water Heaters
- Electric Tankless Water Heaters
- Window & Door Sashes or Components other than the Entire Window or Door Unit



Energy Star Ratings

Energy Star rated appliances may qualify for special financing or rebates from the manufacturer, state energy office or local utility companies. Check the website www.energystar.gov/index.cfm?c=products.pr-tax-credits for product eligibility requirements.

Tax Credit Particulars

- The credits can be claimed on IRS Form 5695
- Retain the following documents to support your claim:
 - Manufacturer Name and Address
 - Make, Model or other Product Identifier
 - Product Description
 - Statement that the product meets tax credit standards
 - Climate Zone for which criteria are satisfied
 - Declaration that the certification statement is true

You can do your part to reduce energy consumption. Research indicates that remodeling and retrofitting older homes will more effectively reduce residential energy consumption than making new homes meet the strictest efficiency goals. A study in California last year showed that homes built before 1983 were responsible for 70% of greenhouse emissions related to single-family home energy consumption.

Source: Los Angeles Times, April 05, 2009, Page B11