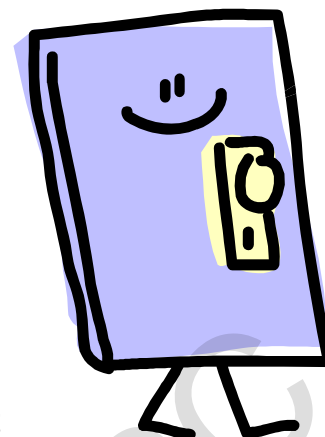


# **Residential energy credits for qualified home improvements**



## **What?**

- The residential energy credits provide a federal tax credit for 2009 and 2010.
- Qualifying home improvements get a 30% credit with a limit of \$1,500.
- These credits are non-refundable. They can only reduce your tax to 0, and can not be carried forward.
- The energy credits are not limited by the alternative minimum tax (AMT).

## **Who qualifies?**

- Qualified energy property needs to be purchased, installed, and placed into use in a taxpayer's principal residence during the year to get a refund.
- There is no upper income limitation to qualify for energy credits, but low income taxpayers with no tax will not benefit.

## **What purchases qualify for the \$1,500 (max) credit?**

- The following building envelope components must meet the 2009 International Energy Conservation code if purchased after February 18, 2009 (U Factor & SHGC .30 or below). Before that date, Energy Star labels meet requirements.
  - Insulation
  - Exterior windows and skylights
  - Exterior doors
  - Metal or asphalt roof designed to reduce heat loss
- The following also qualify for the credit:
  - Electric heat pumps (SEER 15, EER 12.5, HSPF 8.5)
  - Central Air Conditioning (SEER 16, EER 12)
  - Natural gas, propane, or oil water heater (90% efficient/energy factor 8.2)
  - Biomass fuel stove (efficiency rating 75%)
  - Furnace/boiler (Natural gas 95% efficient, propane 95% efficient, oil 90%)

## **Tips:**

- Be sure to get verification from the manufacturer that your energy property qualifies.
- Visit the Energy Star website (Federal Tax Credits) for more specific information.