

# Federal Tax Credits for Energy Efficiency



## 2009 SUMMARY OF TAX CREDITS FOR HOMEOWNERS

Product Category	Product Type	Tax Credit Sepecification	Tax Credit	Notes
<b>Windows &amp; Doors*</b>	Exterior Windows and Skylights	U factor $\leq$ 0.30 SHGC $\leq$ 0.30	30% of cost, up to \$1,500 <sup>2</sup>	Not all ENERGY STAR labeled windows and skylights qualify for tax credit.
	Storm Windows	Meets IECC1 in combination with the exterior window over which it is installed, for the applicable climate zone	30% of cost, up to \$1,500 <sup>2</sup>	Manufacturer Certification Statement <sup>3</sup> will list classes of exterior window (single pane, clear glass, double pane, low-E coating, etc.) <sup>4</sup> that a product may be combined with to be eligible in specific climate zones.
	Exterior Doors	U factor $\leq$ 0.30 SHGC $\leq$ 0.30	30% of cost, up to \$1,500 <sup>2</sup>	Not all ENERGY STAR doors will qualify.
	Storm Doors	In combination with a wood door assigned a default U-factor by the IECC1, and does not exceed the default U-factor requirement assigned to such combination by the IECC	30% of cost, up to \$1,500 <sup>2</sup>	
<b>Roofing*</b>	Metal Roofs, Asphalt Roofs	ENERGY STAR qualified	30% of cost, up to \$1,500 <sup>2</sup>	All ENERGY STAR labeled metal and asphalt roofs qualify for the tax credit.  Must be expected to last 5 years OR have a 2 year warranty.
<b>Insulation*</b>	Insulation	Meets 2009 IECC & Amendments	30% of cost, up to \$1,500 <sup>2</sup>	For insulation to qualify, its primary purpose must be to insulate. (example: vapor retarders are covered, siding does not qualify).  Must be expected to last 5 years OR have a 2 year warranty
<b>HVAC*</b>	Central A/C	Split Systems: EER $\geq$ 13 SEER $\geq$ 16  Package systems: EER $\geq$ 12 SEER $\geq$ 14	30% of cost, up to \$1,500 <sup>2</sup>	For a list of qualified products, go to the Consortium for Energy Efficiency product directory , click on the Air Conditioners and in the "CEE Tier" enter "Residential Advanced Tier 3" for CAC Split Systems, and "Residential Tier 2" for CAC package systems and ASHPs.  Note — not all ENERGY STAR products will qualify for the tax credit.
	Air Source Heat Pumps	Split Systems: HSPF $\geq$ 8.5 EER $\geq$ 12.5 SEER $\geq$ 15  Package systems: HSPF $\geq$ 8 EER $\geq$ 12 SEER $\geq$ 14	30% of cost, up to \$1,500 <sup>2</sup>	ENERGY STAR Spec (same for CAC and ASHP):  Split Systems: HSPF $\geq$ 8.2 EER $\geq$ 12 SEER $\geq$ 14.5  Package systems: HSPF $\geq$ 8 EER $\geq$ 11 SEER $\geq$ 14
	Natural Gas or Propane Furnace	AFUE $\geq$ 95	30% of cost, up to \$1,500 <sup>2</sup>	For a list of qualifying products go to the Gas Appliance Manufacturing Association
	Oil Furnace	AFUE $\geq$ 90	30% of cost, up to \$1,500 <sup>2</sup>	Not all ENERGY STAR products will qualify for the tax credit.
	Gas, Propane, or Oil Hot Water Boiler	AFUE $\geq$ 90	30% of cost, up to \$1,500 <sup>2</sup>	ENERGY STAR Spec:  Gas Furnaces: AFUE $\geq$ 80  Oil Furnaces: AFUE $\geq$ 85  Boilers: AFUE $\geq$ 85
Advanced Main Air Circulating Fan	No more than 2% of furnace total energy use	30% of cost, up to \$1,500 <sup>2</sup>	For a partial list of qualifying products go to the Gas Appliance Manufacturing Association	

**For complete details go to [www.energystar.gov](http://www.energystar.gov) or contact your tax accountant.**

Product Category	Product Type	Tax Credit Specification	Tax Credit	Notes
<b>Geo-Thermal Heat Pump</b>	Geo-Thermal Heat Pump	Same criteria as ENERGY STAR: Closed Loop: EER >= 14.1 COP >= 3.3 Open Loop: EER >= 16.2 COP >= 3.6 Direct Expansion: EER >= 15 COP >= 3.5	30% of the cost - NOT subject to \$1,500 cap	All ENERGY STAR labeled geo-thermal heat pumps qualify for the tax credit.  Use IRS Form 5695  Must be "placed into service" between Jan. 1, 2008–Dec. 31, 2016.
<b>Water Heaters</b>	Gas, Oil, Propane Water Heater	Energy Factor >= 0.82 or a thermal efficiency of at least 90%.	30% of cost, up to \$1,500 <sup>2</sup>	Not all ENERGY STAR gas storage and gas condensing water heaters will qualify for the tax credit. All ENERGY STAR gas tankless models will qualify.  ENERGY STAR criteria:  Gas Storage: Energy Factor >= .62 Gas Tankless: Energy Factor >= 0.82 Gas Condensing: Energy Factor >= 0.8
	Electric Heat Pump Water Heater	Same criteria as ENERGY STAR: Energy Factor >= 2.0	30% of cost, up to \$1,500 <sup>2</sup>	All ENERGY STAR qualified electric heat pump water heaters qualify for the tax credit.
<b>Biomass Stove*</b>	Biomass Stove	Stove which burns biomass fuel <sup>5</sup> to heat a home or heat water.  Thermal efficiency rating of at least 75% as measured using a lower heating value.	30% of cost, up to \$1,500 <sup>2</sup>	
<b>Solar Energy Systems</b>	Solar Water Heating	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 credit is not available for expenses for swimming pools or hot tubs.  The water must be used in the dwelling.  The system must be certified by the Solar Rating and Certification Corporation (SRCC).	30% of cost	Use IRS Form 5695  Must be placed in service before December 31, 2016.
	Photovoltaic Systems	Photovoltaic systems must provide electricity for the residence, and must meet applicable fire and electrical code requirement.	30% of cost	Use IRS Form 5695  Must be placed in service before December 31, 2016.
<b>Small Wind Energy Systems</b>	Residential Small Wind Energy Systems		30% of the cost	Must be placed in service by December 31, 2016.  Use IRS Tax Form 5695 (version 2009). This form should be available in late 2009 or early 2010.  Not limited to \$1,500 cap.
<b>Fuel Cells</b>	Residential Fuel Cell and microturbine system	Efficiency of at least 30% and must have a capacity of at least 0.5 kW.	30% of the cost, up to \$1500 per .5 kW of power capacity	Must be placed in service by December 31, 2016.  Use IRS Tax Form 5695 (version 2009). This form should be available in late 2009 or early 2010.  Not limited to \$1,500 cap.
<b>Cars</b>	Hybrid gasoline-electric, diesel, battery-electric, alternative fuel, and fuel cell vehicles		Based on a formula determined by vehicle weight, technology, and fuel economy compared to base year models	There is a 60,000 vehicle limit per manufacturer before a phase-out period begins. Toyota and Honda have already been phased out. Credit is still available for Ford, GM and Nissan.  For more information visit: <a href="http://FuelEconomy.gov">FuelEconomy.gov</a>  Use IRS Form 8910 for hybrid vehicles purchased for personal use.  Use IRS Form 3800 for hybrid vehicles purchased for business purposes.
	Plug-in hybrid electric vehicles		\$2,500–\$7,500	The first 250,000 vehicles sold get the full tax credit (then it phases out like the hybrid vehicle tax credits).  Effective January 1, 2009.

\* For existing homes only.

<sup>2</sup> Subject to a \$1,500 maximum/homeowner for all improvements combined.

March 2009