

2009 Tax Credits for Consumers:



Home Improvements

Tax credits are now available for home improvements:

- ❖ must be "placed in service" from January 1, 2009 through December 31, 2010
- ❖ must be for taxpayer's principal residence, EXCEPT for geothermal heat pumps, solar water heaters, solar panels, and small wind energy systems (where second homes and rentals qualify)
- ❖ \$1,500 is the maximum total amount that can be claimed for all products placed in service in 2009 & 2010 for most home improvements, EXCEPT for geothermal heat pumps, solar water heaters, solar panels, fuel cells, and small wind energy systems which are not subject to this cap, and are in effect through 2016
- ❖ must have a Manufacturer Certification Statement³ to qualify
- ❖ for record keeping, save your receipts and the Manufacturer Certification Statement³
- ❖ improvements made in 2009 will be claimed on your 2009 taxes (filed by April 15, 2010) — use IRS Tax Form 5695 (2009 version) — it will be available late 2009 or early 2010

SUMMARY OF TAX CREDITS FOR HOMEOWNERS

Product Category	Product Type	Tax Credit Specification	Tax Credit	Notes
Windows & Doors	Exterior Windows and Skylights	U factor \leq 0.30 SHGC \leq 0.30	30% of cost, up to \$1,500 ²	Not all ENERGY STAR labeled windows and skylights qualify for tax credit.
	Storm Windows	Meets IECC ¹ in combination with the exterior window over which it is installed, for the applicable climate zone	30% of cost, up to \$1,500 ²	<u>Manufacturer Certification Statement</u> ³ will list classes of exterior window (single pane, clear glass, double pane, low-E coating, etc.) 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 ²	Not all ENERGY STAR doors will qualify.
	Storm Doors	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	30% of cost, up to \$1,500 ²	
Roofing	Metal Roofs, Asphalt Roofs	ENERGY STAR qualified	30% of cost, up to \$1,500 ²	All ENERGY STAR metal and asphalt roofs qualify for the tax credit. Must be expected to last 5 years OR have a 2 year warranty.

Insulation	Insulation	Meets 2009 IECC & Amendments	30% of cost, up to \$1,500 ²	For insulation to qualify, its primary purpose must be to insulate (example: insulated siding does not qualify). Must be expected to last 5 years OR have a 2 year warranty
HVAC	Central A/C	<i>Split Systems:</i> EER >=13 SEER >= 16 <i>Package systems:</i> EER >= 12 SEER >= 14	30% of cost, up to \$1,500 ²	For a list of qualified products, go to the Consortium for Energy Efficiency product directory (http://www.ceedirectory.org/ceedirectory/pages/cee/ceeSearchMain.aspx), click on Air Conditioners, then in the "CEE Tier" enter "Residential Advanced Tier 3" for CAC Split Systems, and "Residential Tier 2" for CAC Package Systems and ASHPs.
	Air Source Heat Pumps	<i>Split Systems:</i> HSPF >= 8.5 EER >= 12.5 SEER >= 15 <i>Package systems:</i> HSPF >= 8 EER >= 12 SEER >= 14	30% of cost, up to \$1,500 ²	Note — not all ENERGY STAR products will qualify for the tax credit.
	Natural Gas or Propane Furnace	AFUE >= 95	30% of cost, up to \$1,500 ²	For a list of qualifying products go to the Gas Appliance Manufacturing Association (http://www.gamanet.org/gama/inforesources.nsf/vContentEntries/Product+Directories?OpenDocument) Not all ENERGY STAR products will qualify for the tax credit.
	Oil Furnace	AFUE >= 90	30% of cost, up to \$1,500 ²	
	Gas, Propane, or Oil Hot Water Boiler	AFUE >= 90	30% of cost, up to \$1,500 ²	
	Advanced Main Air Circulating Fan	No more than 2% of furnace total energy use.	30% of cost, up to \$1,500 ²	
Water Heaters	Gas, Oil, Propane Water Heater	Energy Factor >= 0.82 or a thermal efficiency of at least 90%.	30% of cost, up to \$1,500 ²	All ENERGY STAR gas tankless water heaters will qualify. There are currently no ENERGY STAR qualified gas storage tank or gas condensing water heaters that qualify. For a partial list of qualifying products go to the Air Conditioning, Heating, and refrigeration Institute (AHRI) (http://www.ahrinet.org/Content/FederalTaxCredits_896.aspx)
	Electric Heat Pump Water Heater	Same criteria as ENERGY STAR: Energy Factor >= 2.0	30% of cost, up to \$1,500 ²	All ENERGY STAR electric heat pump water heaters qualify for the tax credit.
Biomass Stove	Biomass Stove	Stove which burns biomass fuel ⁵ to heat a home or heat water. Thermal efficiency rating of at least 75% as measured	30% of cost, up to \$1,500 ²	

		using a lower heating value.		
Geo-Thermal Heat Pump	Geo-Thermal Heat Pump	<p>Same criteria as ENERGY STAR:</p> <p>Closed Loop: EER \geq 14.1 COP \geq 3.3</p> <p>Open Loop: EER \geq 16.2 COP \geq 3.6</p> <p>Direct Expansion: EER \geq 15 COP \geq 3.5</p>	30% of the cost	<p>All ENERGY STAR geo-thermal heat pumps qualify for the tax credit.</p> <p>Use IRS Form 5695</p> <p>Must be "placed into service" before December 31, 2016.</p>
Solar Energy Systems	Solar Water Heating	<p>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.</p> <p>The credit is not available for expenses for swimming pools or hot tubs.</p> <p>The water must be used in the dwelling.</p> <p>The system must be certified by the Solar Rating and Certification Corporation (SRCC).</p>	30% of cost	<p>All ENERGY STAR solar water heaters qualify for the tax credit.</p> <p>Use IRS Form 5695</p> <p>Must be placed in service before December 31, 2016.</p>
	Photovoltaic Systems	Photovoltaic systems must provide electricity for the residence, and must meet applicable fire and electrical code requirement.	30% of cost	<p>Use IRS Form 5695</p> <p>Must be placed in service before December 31, 2016.</p>

Small Wind Energy Systems	Residential Small Wind Energy Systems		30% of cost	Use IRS Form 5695 Must be placed in service before December 31, 2016.
Fuel Cells	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 \$500 per .5 kW of power capacity	Use IRS Form 5695 Must be placed in service before December 31, 2016.

¹Either the 2001 Supplement of the 2000 International Energy Conservation Code or the 2004 Supplement of the 2003 International Energy Conservation Code.

²Subject to a \$1,500 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.

⁵Biomass Fuel means any plant-derived fuel available on a renewable or recurring basis, including agricultural crops and trees, wood and wood waste and residues (including wood pellets), plants (including aquatic plants), grasses, residues, and fibers.

The IRS defines "placed in service" as when the property is ready and available for use.