

## 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 taxpayers principal residence
- maximum amount is \$1,500 in 2009 & 2010 for most home improvements (geothermal heat pumps, solar water heaters, solar panels, fuel cells, and windmills are not subject to this cap, and are in effect through 2016)
- must have a [Manufacturer Certification Statement](#)<sup>3</sup> to qualify
- for record keeping, save your receipts and the [Manufacturer Certification Statement](#)<sup>3</sup>
- 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
- If you are building a new home, you can qualify for the tax credit for geothermal heat pumps, photovoltaics, solar water heaters, small wind systems and fuel cells, **but not the tax credits for windows, doors, insulation, roofs, HVAC, or non-solar water heaters.** [More](#).

## SUMMARY OF TAX CREDITS FOR HOMEOWNERS

Product Category	Product Type	Tax Credit Specification	Tax Credit	Notes
Windows & Doors	<a href="#">Exterior Windows and Skylights</a>	U factor <= 0.30 SHGC <= 0.30	30% of cost, up to \$1,500 <sup>2</sup>	Not all ENERGY STAR labeled windows and skylights qualify for tax credit.  <a href="#">More information</a> <a href="#">Manufacturer Certification Statement</a> <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.
	Storm Windows	Meets IECC <sup>1</sup> 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>	
	<a href="#">Exterior Doors</a>	U factor <= 0.30 SHGC <= 0.30	30% of cost, up to \$1,500 <sup>2</sup>	Not all ENERGY STAR doors will qualify.

[More information](#)

	Storm Doors	In combination with a wood door assigned a default U-factor by the IECC <sup>1</sup> , 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>	
Roofing	Metal Roofs, Asphalt Roofs	ENERGY STAR qualified	30% of cost, up to \$1,500 <sup>2</sup>	All <a href="#">ENERGY STAR labeled metal and asphalt roofs</a> qualify for the tax credit.  Must be expected to last 5 years OR have a 2 year warranty.  For insulation to qualify, its primary purpose must be to insulate. (example: vapor retarders are covered, siding does not qualify).
Insulation	Insulation	Meets 2009 IECC & Amendments	30% of cost, up to \$1,500 <sup>2</sup>	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 <sup>2</sup>	For a list of qualified products, go to the <a href="#">Consortium for Energy Efficiency product directory</a> <a href="#">EXIT ↗</a> , 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.
	Air Source Heat Pumps	<i>Split Systems:</i> HSPF >= 8.5 EER >= 12.5 SEER >= 15  <i>Package systems:</i> HSPF >= 8 EER >= 12	30% of cost, up to \$1,500 <sup>2</sup>	Note — not all ENERGY STAR products will

SEER >= 14

qualify for the tax credit.


ENERGY STAR Spec  
(same for CAC and  
ASHP):

*Split Systems:*  
HSPF >= 8.2  
EER >= 12  
SEER >= 14.5

*Package systems:*  
HSPF >= 8  
EER >= 11  
SEER >= 14

Natural Gas or  
Propane  
Furnace      AFUE >= 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 >= 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 >= 90

30% of cost,  
up to \$1,500<sup>2</sup>

ENERGY STAR Spec:

Gas Furnaces: AFUE >= 90

Oil Furnaces: AFUE >= 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>

Boilers: AFUE >= 85

For a partial list of  
qualifying products go to  
the [Gas Appliance  
Manufacturing  
Association](#) 

Geo-  
Thermal  
Heat  
Pump      Geo-Thermal  
Heat Pump

Same criteria as  
ENERGY STAR:

Closed Loop:  
EER >= 14.1  
COP >= 3.3

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](#) 

Open Loop:  
EER  $\geq$  16.2  
COP  $\geq$  3.6

[EXIT ↕](#)



Must be “[placed into service](#)” between Jan. 1, 2008–Dec. 31, 2016.



Direct Expansion:  
EER  $\geq$  15  
COP  $\geq$  3.5

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:

Water Heaters	Gas, Oil, Propane Water Heater	Energy Factor $\geq$ 0.82 or a thermal efficiency of at least 90%.	30% of cost, up to \$1,500 <sup>2</sup>	Gas Storage: Energy Factor $\geq$ .62  Gas Tankless: Energy Factor $\geq$ 0.82  Gas Condensing: Energy Factor $\geq$ 0.8
	Electric Heat Pump Water Heater	Same criteria as ENERGY STAR: Energy Factor $\geq$ 2.0	30% of cost, up to \$1,500 <sup>2</sup>	For a partial list of qualifying products go to the <a href="#">Gas Appliance Manufacturing Association</a> <a href="#">EXIT ↕</a>  All ENERGY STAR qualified electric heat pump water heaters qualify for the tax credit.
Biomass Stove	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>	

		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.			Use <a href="#">IRS Form 5695</a> 
					<a href="#">EXIT</a> ↺
Solar Energy Systems	Solar Water Heating	The credit is not available for expenses for swimming pools or hot tubs.	30% of cost		Must be <a href="#">placed in service</a> before December 31, 2016.
		The water must be used in the dwelling.			
		The system must be certified by the Solar Rating and Certification Corporation (SRCC).			
	Photovoltaic Systems	Photovoltaic systems must provide electricity for the residence, and must meet applicable fire and electrical code requirement.	30% of cost		Use <a href="#">IRS Form 5695</a> 
					<a href="#">EXIT</a> ↺
					Must be <a href="#">placed in service</a> by December 31, 2016.
Small Wind Energy Systems	Residential Small Wind Energy Systems		30% of the cost		Use IRS Tax Form 5695 (version 2009). This form should be available in late 2009 or early 2010.

				Not limited to \$1,500 cap. Must be <a href="#">placed in service</a> by 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 \$1500 per .5 kW of power capacity	Use IRS Tax Form 5695 (version 2009). This form should be available in late 2009 or early 2010.
				Not limited to \$1,500 cap. 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.
	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	For more information visit: <a href="http://Fueleconomy.gov">Fueleconomy.gov</a> <a href="#">EXIT ↗</a>
Cars				Use <a href="#">IRS Form 8910</a>  <a href="#">EXIT ↗</a> for hybrid vehicles purchased for personal use.
				Use <a href="#">IRS Form 3800</a>  <a href="#">EXIT ↗</a> 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.

<sup>1</sup>Either the 2001 Supplement of the 2000 International Energy Conservation Code or the 2004 Supplement of the 2003 International Energy Conservation Code.

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

<sup>3</sup>A 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.

<sup>4</sup>Additional information on exterior window features may be viewed at [Anatomy of an Energy Efficient Window](#).

<sup>5</sup>Biomass 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.