

Summary of Energy Tax Credits

Existing principal residence (new construction and rentals do NOT qualify)

30% OF COST UP TO \$1,500 Expires 12/31/2010

Biomass Stoves

1. Installation costs DO qualify
2. Biomass stoves burn biomass fuel to heat a home or heat water. Biomass fuel includes crops (corn, wood burning, etc) and trees, wood and wood wast, plants, grasses and fibers

Heating, Ventilating, AC (HVAC)

1. Installation costs DO qualify
2. Split Systems HSPF >8.5; EER>12.5; SEER>15
3. Package systems: HSPF >8; EER>12; SEER>14
4. Advanced Main Air Circulating Fan is an efficient fan or blower motor which blows the air that your furnace heats up through the duct system; it must use no more than 2% of the furnace's total energy. If the fan is qualified but the furnace is not, the HVAC contractor must break out the cost of the fan in the bill; you can then take the 30% credit on the fan only.

Insulation

1. Installation costs do NOT qualify
2. Typical bulk insulation products qualify (batts, rolls, blow-in, rigid boards, expanding spray, pour-in).
3. Air seal products as long as they come with a certification statement (weather stripping, spray foam in a can, caulk, housewrap).
4. The primary purpose must be to insulate; it can't be structural insulation board or insulated siding, which doesn't qualify.

Roofs (Does NOT Include Installation)

1. Installation costs do NOT qualify
2. Metal roofs with appropriate pigmented coatings and asphalt roofs with appropriate cooling granules that also meet Energy Star requirements
3. Roof coatings are NOT eligible.
4. Should check w/ manufacturer and ask them to provide a Manufacturer Certification Statement that the roof qualifies for the credit. Energy Star qualified roofs are listed at http://downloads.energystar.gov/bi/qplist/roofs_prod_list.pdf

Water Heaters (Non-solar)

1. Installation costs DO qualify
2. Must be tankless (Some commercial storage tank water heaters qualify but they don't meet residential safety standards)
3. Energy factor > 0.82 or thermal efficiency rating of at least 90%

Windows, Doors & Skylights

1. Installation costs do NOT qualify
2. 1/1/09-5/31/09 all Energy Star windows & doors qualified
3. After 6/1/09 windows, doors & skylights must have a U factor & Solar Heat Gain Coefficient(SHGC) < or= 0.30

Pursuant to the provisions of Circular 230 (Code of Federal Regulations), the recipient of this information is hereby advised that any advice or opinions rendered by Shumock & Anderson, LLC are not intended to be used, and cannot be used, for the purposes of avoided penalties that may be imposed by the Internal Revenue Service.

The purpose of this summary is to provide general information, rather than advice or opinion. It is accurate to the best of the author's knowledge as of the date it was written. Accordingly, this summary should not be viewed as a substitute for the guidance and recommendations of a retained professional.

Summary of Energy Tax Credits

Existing Homes and NEW Construction 30% w/ no upper limit expires 12/31/2016

Geothermal Heat Pumps

1. Similar to ordinary heat pumps but use the ground instead of outside air to provide heating A/C and hot water

Small Wind Turbines

1. A wind turbine collects kinetic energy from the wind and converts it to electricity that is compatible with a home's electrical system.

Solar Energy Systems

1. Solar water heaters come in a wide variety of designs, all including a collector and storage tank, and all using the sun's thermal energy to heat water. Solar water heaters are typically described according to the type of collector and the circulation system.
2. All Energy Star Qualified solar water heaters qualify for the tax credit
3. The water must be used in the dwelling, not a hot tub or swimming pool.
4. At least half of the energy generated by the qualifying property must come from the sun.
5. Solar panels are solar cells that capture the heat from the sun and convert it directly into electricity. To qualify for the credit, Photovoltaic systems must provide electricity for the residence and must meet applicable fire and electrical code requirements.

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