

TIME FOR YOU TO BE STIMULATED

With these Federal Energy-Related Tax Incentives

Investing in renewable energy and energy-efficient home improvement projects may help stimulate our economy, earn you some energy-related tax breaks, and save you money on your home's heating and cooling costs. The 2009 Recovery and Reinvestment Act signed this past February extended and added to many of the existing energy efficiency incentives existing before.

The following table reflects a summary of available federal tax credits for energy-efficiency projects or purchases. A tax credit is generally more valuable than an equivalent tax deduction because a credit lowers your taxes dollar-for-dollar, while a deduction lowers your taxable income. For more detailed information on federal energy-related tax incentives, visit www.energystar.gov

A FEW GUIDELINES:

- Unless otherwise noted, the tax credit includes the cost of equipment and original installation costs.
- Must be for taxpayer's principal residence.
- Maximum for 2009 and 2010 for all improvements is \$1,500 (except for geothermal heat pumps, solar water heaters, solar panels etc.)

Project	Requirements	Incentive	Fine Print-Must be for taxpayer's principal residence
exterior windows & doors, skylights	Meets International Energy Conservation Code (IECC) or ENERGY STAR-qualified product. U factor (heat loss) <= .30	Tax credit equal to 30% of cost, up to \$1,500 for all improvements combined.	Installation costs not included. Does not apply to new home construction. Not all ENERGY STAR models qualify (check with retailer).
Storm windows & doors	In combination with approved wood door or window (check with retailer).	Tax credit equal to 30% of cost, up to \$1,500 for all improvements combined.	Installation costs not included. Does not apply to new home construction.
Metal roofs, asphalt roofs	ENERGY STAR-qualified roof to last 5-yrs or a 2-yr warranty	Tax credit equal to 30% of cost, up to \$1,500 for all improvements combined.	Installation costs not included. Does not apply to new home construction.
Insulation	Primary purpose must be to insulate.	Tax credit equal to 30% of cost, up to	Installation costs not included. Does not

	Must be expected to last 5 yrs or a 2-yr warranty.	\$1,500 for all improvements combined.	apply to new home construction.
Central A/C	Split Systems: Energy Efficiency Ratio (EER) ≥ 13 Seasonal Efficiency Ratio (SEER) ≥ 16 Package Systems: EER ≥ 12 SEER ≥ 14	Tax credit equal to 30% of cost, up to \$1,500 for all improvements combined.	Does not apply to new home construction. Not all ENERGY STAR models qualify (check with retailer).
Air Source heat pumps	Split Systems: HSPF ≥ 8.5 EER ≥ 12.5 SEER ≥ 15 Package Systems: HSPH ≥ 8 EER ≥ 12 SEER ≥ 14	Tax credit equal to 30% of cost, up to \$1,500 for all improvements combined.	Does not apply to new home construction. Not all ENERGY STAR models qualify (check with retailer).
Geothermal heat pump	All ENERGY STAR geothermal heat pumps qualify.	Federal tax credit equal to 30% of cost. Not subject to \$1,500 cap.	Place in service by Dec 31, 2016. Approved for second homes.
Water heater (electric heat pump)	Energy factor ≥ 2.0	Tax credit equal to 30% of cost, up to \$1,500 for all improvements combined.	Does not apply to new home construction.
Water heater (solar)	At least half of the energy generated by the solar water heater must come from the sun. Water must be used in dwelling. Must be certified by the Solar Rating Certification Corporation (SRCC).	Federal tax credit equal to 30% of cost. Not subject to \$1,500 cap.	Place in service by Dec 31, 2016. Federal credit does not apply to swimming pools or hot-tub heaters.
Biomass stoves	Uses any plant-derived renewable fuel (wood, farm products, etc.) to heat home or water. Thermal efficiency	Tax credit equal to 30% of cost, up to \$1,500 for all improvements combined.	

	rating $\geq 75\%$		
Photovoltaic (solar electric) systems	Must provide electricity for the residence and meet fire and electrical code requirements.	Federal tax credit equal to 30% of cost. Not subject to \$1,500 cap.	