



Federal Tax Credits for Energy Efficiency and Green Building¹

Note: additional local and state incentive programs are available. Please contact GreenTek for More information.

Tax Deductions for Commercial Buildings

A tax deduction of up to \$1.80 per square foot is available to owners or designers of new or existing commercial buildings that save at least 50% of the heating and cooling energy of a building that meets ASHRAE Standard 90.1-2001. Partial deductions of up to \$.60 per square foot can be taken for measures affecting any one of three building systems: the building envelope, lighting, or heating and cooling systems. These tax deductions are available for systems “placed in service” from January 1, 2006 through December 31, 2013.

Note: IRS Notice 2006-52 (6/2/2006) provides guidance on deduction for energy efficient commercial buildings.

Tax Credits for Consumers (Homeowners)

Tax credits are available at 30% of the cost, up to \$1,500, in 2009 & 2010 (for existing homes only) for: Windows and Doors, Insulation, Roofs (Metal and Asphalt), HVAC, Water Heaters (non-solar), and Biomass Stoves

Tax credits are available at 30% of the cost, with no upper limit through 2016 (for existing homes & new construction) for: Geothermal Heat Pumps, Solar Panels, Solar Water Heaters, Small Wind Energy Systems, and Fuel Cells

Product Category	Product Type	Tax Credit Specification	Tax Credit	Notes
Insulation	Insulation	Meets 2009 IECC & Amendments	30% of cost, up to \$1,500 ¹	For insulation to qualify, its primary purpose must be to insulate (example: insulated siding does not qualify). Adding insulation to your home is covered.
Windows & Doors	Exterior Windows and Skylights	<u>Before June 1, 2009:</u> Must meet ENERGY STAR criteria <u>After June 1, 2009*:</u> U factor <= 0.30 SHGC <= 0.30	30% of cost, up to \$1,500 ¹	*Not all ENERGY STAR labeled windows and skylights qualify for tax credit.
	Storm Windows	In combination with the exterior window over which it is installed: has a U-factor and SHGC of 0.30 or below Meets the IECC	30% of cost, up to \$1,500 ¹	

¹ The tax credit information herein is for informational purposes only and is summarized / excerpted from Energy Star – a program of the EPA and DOE, as of 8/16/09. Please consult your tax professional for details and any tax related advice. GreenTek makes no warranties as to the availability of any tax credit for specific measures by a homeowner, contractor or business – some measures may qualify while other may not.

Product Category	Product Type	Tax Credit Specification		Tax Credit	Notes
	Exterior Doors	<p><u>Before June 1, 2009:</u> Must meet ENERGY STAR criteria</p> <p><u>After June 1, 2009*:</u> U factor <= 0.30</p> <p>SHGC <= 0.30</p>		30% of cost, up to \$1,500 ¹	*Not all ENERGY STAR doors will qualify.
	Storm Doors	<p>In combination with a wood door over which it is installed:</p> <p>has a U-factor and SHGC of 0.30 or below</p> <p>Meets the IECC</p>		30% of cost, up to \$1,500 ¹	
Roofing	Metal Roofs, Asphalt Roofs	ENERGY STAR qualified metal and reflective asphalt shingles		30% of cost, up to \$1,500 ¹	
HVAC	Central A/C	<p><i>Split Systems:</i> EER >=13 SEER >= 16</p> <p><i>Package systems:</i> EER >= 12 SEER >= 14</p>		30% of cost, up to \$1,500 ¹	
	Air Source Heat Pumps	<p><i>Split Systems:</i> HSPF >= 8.5 EER >= 12.5 SEER >= 15</p>	<p><i>Package systems:</i> HSPF >= 8 EER >= 12 SEER >= 14</p>	30% of cost, up to \$1,500 ¹	
	Natural Gas or Propane Furnace	AFUE >= 95		30% of cost, up to \$1,500 ¹	
	Oil Furnace	AFUE >= 90		30% of cost, up to \$1,500 ¹	
	Gas, Propane, or Oil Hot Water Boiler	AFUE >= 90		30% of cost, up to \$1,500 ¹	
	Advanced Main Air Circulating Fan	No more than 2% of furnace total energy use.		30% of cost, up to \$1,500 ¹	
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 ¹	
	Electric Heat Pump Water Heater	Same criteria as ENERGY STAR: Energy Factor >= 2.0		30% of cost, up to \$1,500 ¹	

Product Category	Product Type	Tax Credit Specification	Tax Credit	Notes
Biomass Stove	Biomass Stove	Stove which burns biomass fuel 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 ¹	
Geo-Thermal Heat Pump	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 cost	ENERGY STAR geo-thermal heat pumps qualify for the tax credit. Must be "placed into service" before December 31, 2016.
Solar Energy Systems	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	ENERGY STAR solar water heaters qualify for the tax credit. 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	Must be placed in service before December 31, 2016.
Small Wind Energy Systems	Residential Small Wind Turbines	Has nameplate capacity of not more than 100 kilowatts.	30% of cost	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	Must be placed in service before December 31, 2016.

¹ Subject to a \$1,500 maximum per homeowner for all improvements combined.

General Guidelines 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 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
- for record keeping, save your receipts and the Manufacturer Certification Statement
- improvements made in 2009 will be claimed on your 2009 taxes (filed by April 15, 2010)

General Guidelines for New Home Construction

- If you are building a new home, you can qualify for the tax credit for *geothermal heat pumps, photovoltaics, solar water heaters, small wind energy systems and fuel cells, but not the tax credits for windows, doors, insulation, roofs, HVAC, or non-solar water heaters.*

Note: The same in service, residence and documentation requirements are in force.

Tax Credits for Home Builders

Home builders are eligible for a \$2,000 tax credit for a new energy efficient home that achieves 50% energy savings for heating and cooling over the 2004 International Energy Conservation Code (IECC) and supplements. At least 1/5 of the energy savings must come from building envelope improvements. This credit also applies to contractors of manufactured homes conforming to Federal Manufactured Home Construction and Safety Standards.

There is also a \$1,000 tax credit to the producer of a new manufactured home achieving 30% energy savings for heating and cooling over the 2004 IECC and supplements (at least 1/3 of the savings must come from building envelope improvements), or a manufactured home meeting the requirements established by EPA under the ENERGY STAR program.

These tax credits apply to new homes located in the United States whose construction is substantially completed after August 8, 2005 and that are acquired from the eligible contractor for use as a residence from January 1, 2006 through December 31, 2009.

Note: Eligible contractors need to fill out IRS Form 8908 to get the tax credit. The IRS has provided the following guidance regarding the tax credits for constructing energy efficient new homes available under the Energy Policy Act of 2005: IRS Notice 2006-27 provides guidance for the credit for building energy efficient homes other than manufactured homes. IRS Notice 2006-28 provides guidance for the credit for building energy efficient manufactured homes.