



# Federal Tax Credits for Energy Efficiency

## Products eligible for tax credits through December 31, 2011

Product Category	Product Type	Tax Credit Specification	Tax Credit	Notes
<b>Windows and doors</b>  Must be an existing home and your principal residence. <b>New construction and rentals do not qualify.</b>  <i>Tax credit expires Dec. 31, 2011</i>	Exterior windows	U factor $\leq$ 0.30  SHGC $\leq$ 0.30  Must be ENERGY STAR qualified.	10% of cost, up to \$200  Credit does <b>NOT</b> include installation and labors costs.	You do not have to replace all the windows/doors/skylights in your home to qualify. And it doesn't need to be a replacement either – installing a new window where there wasn't one previously (like in an addition) qualifies.  Not all ENERGY STAR products qualify.
	Exterior doors & skylights	U factor $\leq$ 0.30  SHGC $\leq$ 0.30	10% of cost, up to \$500  Credit does <b>NOT</b> include installation and labors costs.	
<b>HVAC</b>  Must be an existing home and your principal residence. <b>New construction and rentals do not qualify.</b>  <i>Tax credit expires Dec. 31, 2011</i>	Central air conditioning	<b>Split systems:</b> EER $\geq$ 13 SEER $\geq$ 16  <b>Package systems:</b> EER $\geq$ 12 SEER $\geq$ 14	\$300  Credit includes installation costs.	For a list of qualified products, go to the Consortium for Energy Efficiency product directory, 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	<b>Split systems:</b> HSPF $\geq$ 8.5 EER $\geq$ 12.5 SEER $\geq$ 15  <b>Package systems:</b> HSPF $\geq$ 8 EER $\geq$ 12 SEER $\geq$ 14	\$300  Credit includes installation costs.	Not all ENERGY STAR products qualify.  ENERGY STAR Spec: <i>(same for CAC and ASHP)</i> <b>Split systems:</b> HSPF $\geq$ 8.2 EER $\geq$ 12 SEER $\geq$ 14.5  <b>Package systems:</b> HSPF $\geq$ 8 EER $\geq$ 11 SEER $\geq$ 14
	Natural gas or propane furnace	AFUE $\geq$ 95	\$150  Credit includes installation costs.	For a list of qualifying products go to the Gas Appliance Manufacturing Association.  Not all ENERGY STAR products qualify.
	Oil furnace	AFUE $\geq$ 90	\$150  Credit includes installation costs.	ENERGY STAR Spec: Gas furnaces: AFUE $\geq$ 90 Oil furnaces: AFUE $\geq$ 85 Boilers: AFUE $\geq$ 85
	Gas, propane or oil hot water boiler	AFUE $\geq$ 90	\$150  Credit includes installation costs.	ENERGY STAR Spec: Gas furnaces: AFUE $\geq$ 90 Oil furnaces: AFUE $\geq$ 85 Boilers: AFUE $\geq$ 85
	Advanced main air circulating fan	Must use no more than 2% of furnace's total energy.	\$50	If the fan is qualified but the furnace is not, you can get a 30% tax credit on the cost of the fan alone. Ask your contractor to break out the cost.

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<b>Roofing</b>  Must be an existing home and your principal residence. <b>New construction and rentals do not qualify.</b>  <i>Tax credit expires Dec. 31, 2011</i>	Metal roofs Asphalt roofs	All ENERGY STAR qualified metal and reflective asphalt shingles.  Materials only, installation or labor costs are <b>NOT</b> eligible for the 10% tax credit.	10% of cost, up to \$500	The credit is for "Any metal roof or asphalt roof installed on a dwelling unit but only if such roof has appropriate pigmented coatings or cooling granules which are specifically and primarily designed to reduce the heat gain of such dwelling unit."
<b>Insulation</b>  Must be an existing home and your principal residence. <b>New construction and rentals do not qualify.</b>  <i>Tax credit expires Dec. 31, 2011</i>	Insulation material or system	Must meet 2009 International Energy Conservation Code (IECC) and Amendments	10% of cost, up to \$500  Installation does <b>NOT</b> include installation and labor costs.	Insulation material or system specifically and primarily designed to reduce the heat loss or gain of your home. Primary purpose must be to insulate (example: insulated siding does not qualify).
<b>Water heaters</b>  Must be an existing home and your principal residence. <b>New construction and rentals do not qualify.</b>  <i>Tax credit expires Dec. 31, 2011</i>	Gas, oil and propane water heaters	Energy factor $\geq 0.82$ or a thermal efficiency of at least 90%	\$300  Credit includes installation costs.	All ENERGY STAR gas tankless water heaters qualify.  Most storage tank water heater will not qualify for the credit.  Electric storage tank and electric tankless water heaters are not eligible for tax credit.
	Electric heat pump water heaters	Energy Factor $\geq 2.0$	\$300  Credit includes installation costs.	All ENERGY STAR electric heat pump water heaters qualify.
<b>Biomass stoves</b>  Must be an existing home and your principal residence. <b>New construction and rentals do not qualify.</b>  <i>Tax credit expires Dec. 31, 2011</i>	Biomass stoves	Thermal efficiency rating of at least 75% as measured using a lower heating value.	\$300  Credit includes installation costs.	Biomass stoves burn biomass fuel to heat a home or to heat water. "Biomass fuel" includes agricultural crops and trees, wood and wood waste and residues (including wood pellets), plants, (including aquatic plants), grasses, residues, and fibers.

## Products eligible for tax credits through December 31, 2016

Product Category	Product Type	Tax Credit Specification	Tax Credit	Notes
<b>Geothermal heat pump</b>  Existing homes and new construction qualify. Both principal and second homes qualify. <b>Rentals do not qualify.</b>	Geothermal heat pump	Same criteria as ENERGY STAR. <b>Closed loop:</b> EER >=14.1 COP >=3.3 <b>Open loop:</b> EER >=16.2 COP >=3.6 <b>Direct Expansion:</b> EER >=15 COP >=3.5	30% of cost, with no upper limit  Credit includes installation costs.	Must be placed in service by Dec. 31, 2016  All ENERGY STAR geothermal heat pumps qualify  Use IRS Form 5695
<b>Solar energy systems</b>  Existing homes and new construction qualify. Both principal and second homes qualify. <b>Rentals do not qualify.</b>	Solar water heating property	At least half of the energy generated by the "qualifying property" must come from the sun.  The system must be certified by the Solar Rating and Certification Corporation (SRCC).	30% of cost, with no upper limit  Credit includes installation costs.	Must be placed in service by Dec. 31, 2016  Use IRS Form 5695  The water must be used in the dwelling. The credit is not available for expenses for swimming pools or hot tubs.  Tax credits are only available for the solar water heating system property, not the entire water heating system of the household.
	Photovoltaic systems (Solar electric property)	Photovoltaic systems must provide electricity for the residence and must meet applicable fire and electrical code requirement.	30% of cost, with no upper limit	Must be placed in service by Dec. 31, 2016  Use IRS Form 5695
<b>Small wind energy systems</b>  Existing homes and new construction qualify. Both principal and second homes qualify. <b>Rentals do not qualify.</b>	Residential small wind energy systems	Nameplate capacity of not more than 100 kilowatts.	30% of cost, with no upper limit  Credit includes installation costs.	Must be placed in service by Dec. 31, 2016  Use IRS Form 5695
<b>Fuel cells</b>  Existing homes and new construction qualify. Must be your principal residence. <b>Rentals and second homes do not qualify.</b>	Residential fuel cell systems	Efficiency of at least 30% and must have a capacity of at least 0.5 kW	30% of cost, up to \$500 per .5 kW of power capacity  Credit includes installation costs.	Must be placed in service by Dec. 31, 2016  Use IRS Form 5695

## Vehicle tax credits

Product Category	Product Type	Tax Credit Specification	Tax Credit	Notes
Cars	Plug-in hybrid electric vehicles and small neighborhood electric vehicles		Up to \$7,500 based on capacity of the battery system.	First 200,000 vehicles sold get the full tax credit before the credit begins phasing out.  Use IRS Form 8936.  See <a href="http://Fueleconomy.gov">Fueleconomy.gov</a> to find out which vehicles qualify for the credit.  See the IRS information on the Plug-it Electric Vehicle Credit.  Also see credits for alternative fuel vehicle refueling property.

For more information, visit [www.energystar.gov](http://www.energystar.gov) or [www.energysavers.gov](http://www.energysavers.gov).