

# Energy Policy Tax Credits 2009/2010

## Energy-Efficiency Incentives for Homeowners

On Oct. 3, 2008, tax credits were extended for energy-efficient home improvements (windows, doors, roofs, insulation, HVAC, and nonsolar water heaters). Tax credits for these residential products, which had expired at the end of 2007, will now be available for improvements made during 2009 and 2010. However, improvements made during 2008 are not eligible for a tax credit.

The bill also extended tax credits for solar energy systems and fuel cells to 2016. New tax credits were established for small wind energy systems. Tax credits for builders of new energy-efficient homes and tax deductions for owners and designers of energy-efficient commercial buildings were also extended.

- Installation costs are not included.
- Manufacturer’s Certification Statement required.
- For tax purposes, save your receipt and the Manufacturer’s Certification Statement.
- Must be “placed into service” between Jan. 1, 2009, to Dec. 31, 2010.  
(The IRS defines “placed into service” as when the property is ready and available for use.)
- Use IRS Form 5695.
- Visit [www.energystar.gov](http://www.energystar.gov) for more details.

Product Category	Product Type	Tax Credit Specification	Tax Credit	Notes
<b>Windows &amp; Doors</b>	Exterior Windows and Skylights	ENERGY STAR® qualified OR meets IECC.	30% of cost, up to \$1,500* for all windows, skylights and storm windows	All ENERGY STAR labeled windows and skylights qualify for tax credit.
	Storm Windows	Meets IECC in combination with the exterior window over which it is installed for the applicable climate zone.	30% of cost, up to \$1,500* for all windows, skylights and storm windows	Manufacturer’s Certification Statement will list classes of exterior window (single pane, clear glass, double pane, low-E coating, etc.) that a product may be combined with to be eligible in specific climate zones.
	Exterior Doors	Meets IECC.	30% of cost, up to \$1,500*	ENERGY STAR doors will almost always qualify.
	Storm Doors	In combination with a wood door assigned a default U-factor by the IECC, and does not exceed the default U-factor requirement assigned to such combination by the IECC.	30% of cost, up to \$1,500*	Eligibility will be confirmed by manufacturer and documented in the Manufacturer’s Certification Statement.
<b>Roofing</b>	Metal Roofs, Asphalt Roofs	ENERGY STAR qualified.  (ENERGY STAR qualified roofs reduce cooling costs but may actually increase heating costs in Wisconsin.)	30% of cost, up to \$1,500*	All ENERGY STAR labeled metal roofs qualify for the tax credit. Must be expected to last 5 years OR have a 2 year warranty.

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<b>Insulation</b>	Insulation	Meets 2000 IECC & Amendments.	30% of cost, up to \$1,500*	For insulation to qualify, its primary purpose must be to insulate. (example: vapor retarders are covered, siding does not qualify). Must be expected to last 5 years OR have a 2 year warranty.
<b>HVAC</b>	Central A/C	Split Systems: EER $\geq$ 12.5 & SEER $\geq$ 15 Package systems: EER $\geq$ 12 & SEER $\geq$ 14	30% of cost, up to \$1,500*	For a list of qualified products, go to the Consortium for Energy Efficiency product directory.  Note — not all ENERGY STAR products will qualify for the tax credit.  ENERGY STAR specification: Split Systems: EER $\geq$ 11.5 & SEER $\geq$ 14 Package systems: EER $\geq$ 11 & SEER $\geq$ 14
	Air Source Heat Pumps	HSPF $\geq$ 9 EER $\geq$ 13 SEER $\geq$ 15	30% of cost, up to \$1,500*	Note — not all ENERGY STAR products will qualify for the tax credit.  ENERGY STAR specification: Split systems: HSPF $\geq$ 8.2 & EER $\geq$ 11.5 & SEER $\geq$ 14 Package systems: HSPF $\geq$ 8 & EER $\geq$ 11 & SEER $\geq$ 14
	Geothermal Heat Pump	Same criteria as ENERGY STAR: Closed Loop: EER $\geq$ 14.1 & COP $\geq$ 3.3 Open Loop: EER $\geq$ 16.2 & COP $\geq$ 3.6 Direct Expansion: EER $\geq$ 15 & COP $\geq$ 3.5	30% of the cost, not subject to \$1,500 cap*	All ENERGY STAR labeled geothermal heat pumps qualify for the tax credit.
	Gas, Oil, Propane Furnace or Hot Water Boiler	Furnaces: AFUE $\geq$ 95 Boiler: AFUE $\geq$ 95	30% of cost, up to \$1,500*	For a list of qualifying products go to <a href="http://www.gamanet.org">www.gamanet.org</a> .  Note — not all ENERGY STAR products will qualify for the tax credit.  ENERGY STAR specification: Furnaces: AFUE $\geq$ 90 Boilers: AFUE $\geq$ 85
	Advanced Main Air Circulating Fan	No more than 2% of furnace total energy use.	30% of cost, up to \$1,500*	For a partial list of qualifying products go to <a href="http://www.gamanet.org">www.gamanet.org</a> .
<b>Water Heaters</b>	Gas, Oil, Propane Water Heater	Energy Factor $\geq$ 0.80 or a thermal efficiency of at least 90%.	30% of cost, up to \$1,500*	Note: ENERGY STAR qualified high-efficiency gas storage water heaters will not qualify for the tax credit. All ENERGY STAR qualified whole-home gas tankless and gas condensing models will qualify.  ENERGY STAR criteria:  Whole-Home Tankless: Energy Factor $\geq$ 0.82 Gas Condensing: Energy Factor $\geq$ 0.8  For a partial list of qualifying products go to <a href="http://www.gamanet.org">www.gamanet.org</a> .

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<b>Water Heaters</b> (continued)	Electric Heat Pump Water Heater	Energy Factor $\geq$ 2.0	30% of cost, up to \$1,500*	This is more than twice as efficient as the current federal standard.
<b>Biomass Stove</b>	Biomass Stove	Stove which burns biomass fuel to heat a home or heat water.  Thermal efficiency rating of at least 75%.	30% of cost, up to \$1,500*	
<b>Solar Energy Systems</b>	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 Corp. (SRCC).	30% of cost, up to \$2,000	Must be placed in service before Dec. 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 Dec. 31, 2016.
<b>Small Wind Energy Systems</b>	Small Wind Energy Systems		30% of cost	
<b>Fuel Cells</b>	Fuel Cells	Efficiency of at least 30% and must have a capacity of at least 0.5 kW.	30% of the cost, up to \$1,500 per half kW of power capacity	Must be placed in service before Dec. 31, 2016.

\*Subject to a \$1,500 maximum per homeowner for the two years (2009/2010) for all improvements combined. Some improvements such as geothermal heat pumps, solar water heaters and solar panels are not subject to the \$1,500 maximum.