

# 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, and 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 and Doors</b>	Windows, Doors and Skylights	U factor $\leq$ 0.30 SHGC $\leq$ 0.30	30% of cost, up to \$1,500*	Not all ENERGY STAR® labeled windows, doors and skylights qualify for tax credit.
	Storm Windows and Storm Doors	In combination with the exterior window over which it is installed: 1. Has a U-factor and SHGC of 0.30 or below. 2. Meets the IECC.	30% of cost, up to \$1,500*	
<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 and asphalt roofs qualify for the tax credit. Must be expected to last 5 years OR have a 2-year warranty.
<b>Insulation</b>	Insulation	Meets 2009 IECC and Amendments.	30% of cost, up to \$1,500*	For insulation to qualify, its primary purpose must be to insulate (for example, insulated siding does not qualify). Check to see if you have Home Performance with ENERGY STAR in your area. Adding insulation to your home is covered.

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Product Category	Product Type	Tax Credit Specification	Tax Credit	Notes
<b>HVAC</b>	Central A/C	Split Systems: EER $\geq$ 13 & SEER $\geq$ 16 Package Systems: EER $\geq$ 12 & SEER $\geq$ 14	30% of cost, up to \$1,500*	The best way to find tax credit-eligible CACs is to ask your HVAC Contractor (Heating, Ventilation and Air-Conditioning). To verify tax credit eligibility, ask your HVAC contractor to provide the Manufacturer's Certification Statement for the equipment you plan to purchase. Or search the Manufacturer's Web site.  Not all ENERGY STAR products will qualify for the tax credit.
	Air Source Heat Pumps	HSPF $\geq$ 9 EER $\geq$ 13 SEER $\geq$ 15		
	Natural Gas or Propane Furnace	AFUE $\geq$ 95	30% of cost, up to \$1,500*	For a list of qualifying products, go to <a href="http://www.ahrinet.org">www.ahrinet.org</a> .
	Oil Furnace	AFUE $\geq$ 90	30% of cost, up to \$1,500*	Not all ENERGY STAR products will qualify for the tax credit.  ENERGY STAR specification: Furnaces: AFUE $\geq$ 90 Boilers: AFUE $\geq$ 85
	Gas, Propane or Oil Hot Water Boiler			
	Advanced Main Air Circulating Fan	No more than 2% of furnace total energy use.	30% of cost, up to \$1,500*	If the fan is qualified but the furnace is not, you will not be able to take 30% off the cost of the entire furnace. You can get a 30% tax credit on the cost of the fan alone.
<b>Water Heaters</b>	Gas, Oil, Propane Water Heater	Energy Factor $\geq$ 0.82 or a thermal efficiency of at least 90%	30% of cost, up to \$1,500*	Can include installation cost. Electric tankless and electric storage tank water heaters do not qualify.
	Electric Heat Pump Water Heater	Energy Factor $\geq$ 2.0		
<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>Geothermal Heat Pump</b>	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.  Must be placed in service before Dec. 31, 2016.
<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	All ENERGY STAR labeled solar water heaters qualify for the tax credit.  Must be placed in service before Dec. 31, 2016.

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<b>Product Category</b>	<b>Product Type</b>	<b>Tax Credit Specification</b>	<b>Tax Credit</b>	<b>Notes</b>
<b>Solar Energy Systems</b> (continued)	Photovoltaic Systems	Photovoltaic systems must provide electricity for the residence and must meet applicable fire and electrical code requirements.	30% of cost	Must be placed in service before Dec. 31, 2016.
<b>Small Wind Energy Systems</b>	Residential Small Wind Energy Systems	Has nameplate capacity of not more than 100 kW.	30% of cost	Must be placed in service before Dec. 31, 2016.
<b>Fuel Cells</b>	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 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.