



NAHB Remodelers

Facts on the Energy-Efficiency Tax Credit

Take advantage of improved tax credits available for many energy-efficient home improvements.

If you are considering upgrading your furnace, installing energy efficient windows, or taking the leap into alternative energy sources, this is the time to do it! These and many other energy-related home components and products are eligible for a tax credit that can cover up to 30% of the cost - but time is running out on some options at the end of 2010! Read up on this limited opportunity!

The Existing Home Retrofit Tax Credit (Tax Code Section 25C): Tax credits are available at 30% of the cost, up to a \$1,500 lifetime limit, for installation in 2009 & 2010 (for existing homes only) of these products:

Building envelope components: (Installation costs not included)

- o [Insulation material or system](#)
- o [Exterior window, skylight, door, storm window or storm door](#)
- o [Metal or asphalt roofs](#)

Qualified energy products: (Installation costs may be included)

- o Electric heat pump [water heaters](#)
- o Electric [heat pumps and central air conditioners](#)
- o Natural gas, propane or oil [water heaters](#)
- o [Biomass burning stoves](#)
- o [Natural gas and propane furnaces](#)
- o [Natural gas, propane, or oil water boilers and oil furnaces](#)
- o [Advanced main air conditioning fans](#)

The Wind, Solar, Geothermal and Fuel Cell Tax Credit (Tax Code Section 25D): Tax credits are available at 30% of the cost, with no cap through 2016 (for existing homes and new construction) for:

[Geothermal Heat Pumps](#)
[Solar Panels](#)
[Solar Water Heaters](#)
[Small Wind Energy Systems](#)
[Fuel Cells](#)

The energy-efficiency home products must be “placed in service” between Jan. 1, 2009 and Dec. 31, 2010. The credits are only valid for improvements made to the taxpayer's principal residence, except for qualified geothermal, solar, wind property, which can be installed on any home used as a residence by the taxpayer.

Home owners can claim the 25C and 25D credits on [Form 5695](#) when they file their income tax returns. Check with your tax professional to ensure correct application of the energy-efficiency tax credit. Retain all receipts as well as records that include:

- Name and address of manufacturer
- Identification of the class of eligible building envelope component

- Make, model number and any other property identifiers
- A statement that the component is eligible for the credit

For more information, visit www.nahb.org/efficiencytaxcredit.