

Summary of Energy Tax Credits for Homeowners

SOURCE: Adapted from the table (as of 10/24/06) in the "Tax Credits" section of www.energystar.gov. The representations in this table are those of Energy Star and, while believed to be reliable, have not been independently verified by Quickfinder Handbooks. Energy tax credits are available beginning in 2006.

Category	Product Type	Tax Credit Specification	Tax Credit	Notes
Nonbusiness Energy Property Credit—Qualified Energy Efficiency Improvements¹				
Windows & Doors	Exterior Windows and Skylights	ENERGY STAR qualified OR meets IECC ²	10% of cost, up to \$200 ³ for all windows, skylights and storm windows	<ul style="list-style-type: none"> All ENERGY STAR labeled windows and skylights qualify. Installation costs are not included.
	Storm Windows	Meets IECC ¹ in combination with the exterior window over which it is installed, for the applicable climate zone	10% of cost, up to \$200 ³ for all windows, skylights and storm windows	<ul style="list-style-type: none"> Manufacturer's Certification Statement⁴ will list classes of exterior window (single pane, clear glass, double pane, etc.) that a product may be combined with to be eligible in specific climate zones. Installation costs are not included.
	Exterior Doors	Meets IECC ²	10% of cost, up to \$500 ³	<ul style="list-style-type: none"> ENERGY STAR doors will almost always qualify, except for certain parts of California.⁵ Installation costs are not included.
	Storm Doors	In combination with a wood door assigned a default U-factor by the IECC ¹ , and does not exceed the default U-factor requirement assigned to such combination by the IECC	10% of cost, up to \$500 ³	<ul style="list-style-type: none"> Eligibility will be confirmed by manufacturer and documented in the Manufacturer's Certification Statement. Installation costs are not included.
Roofing	Metal Roofs	ENERGY STAR qualified	10% of cost, up to \$500 ³	<ul style="list-style-type: none"> All ENERGY STAR labeled metal roofs qualify. Must be expected to last five years OR have a two-year warranty. Installation costs are not included.
Insulation	Insulation	Meets 2000 IECC & Amendments	10% of cost, up to \$500 ³	<ul style="list-style-type: none"> For insulation to qualify, its primary purpose must be to insulate (example: vapor retarders are covered, siding does not qualify⁶). Must be expected to last five years OR have a two-year warranty. Installation costs are not included.
Nonbusiness Energy Property Credit—Residential Energy Property Expenditures¹				
Heating, Ventilation and Air-Conditioning (HVAC)	Central A/C	EER 12.5/SEER 15 Split systems, EER 12/SEER 14 Package systems	\$300 ³	<ul style="list-style-type: none"> For a list of qualified products, go to www.ceehvadirectory.org/continue.html, click on the Air Conditioners and in the "CEE Tier" enter "Residential Tier 2." Not all ENERGY STAR products will qualify. The ENERGY STAR specification is: EER 11.5/SEER 14 Split systems, EER 11/SEER 14 Package systems.
	Air Source Heat Pumps	HSPF 9 EER 13 SEER 15	\$300 ³	<ul style="list-style-type: none"> Not all ENERGY STAR products will qualify for the tax credit. The ENERGY STAR specification is: HSPF 8.2 EER 11.5 SEER 14 Split systems, HSPF 8 EER 11 SEER 14 Package systems.
	Geothermal Heat Pump	Same as ENERGY STAR: EER 14.1 COP 3.3 Closed Loop, EER 16.2 COP 3.6 Open Loop, EER 15 COP 3.5 Direct Expansion	\$300 ³	<ul style="list-style-type: none"> All ENERGY STAR labeled geothermal heat pumps qualify for the tax credit.
	Gas, Oil, Propane Furnace or Hot Water Boiler	AFUE 95 for both furnaces and boilers	\$150 ³	<ul style="list-style-type: none"> For a partial list of qualifying products go to www.gamanet.org and click on "Tax Credit." Not all ENERGY STAR products will qualify. The ENERGY STAR specification is: AFUE 90 for furnaces, AFUE 85 for boilers.
	Advanced Main Circulating Fan	No more than 2% of furnace total energy use	\$50 ²	<ul style="list-style-type: none"> For a partial list of qualifying products go to www.gamanet.org and click on "Tax Credit."
Water Heaters	Gas, Oil, Propane Heater	Energy Factor 0.80	\$300 ²	<ul style="list-style-type: none"> Only some tankless water heaters currently qualify. This is over 33% more efficient than the current federal standard. For a partial list of qualifying products go to www.gamanet.org and click on "Tax Credit."
	Electric Heat Pump Heater	Energy Factor 2.0	\$300 ²	<ul style="list-style-type: none"> This is more than twice as efficient as the current federal standard.
Residential Energy Efficient Property Credit				
Solar Energy Systems	Solar Water Heating	At least half of the energy generated by "qualifying property" must come from the sun	30% of cost, up to \$2,000	<ul style="list-style-type: none"> Homeowners may only claim spending on solar water heating system property, not entire water heating system of household. Credit is not available for expenses for swimming pools or hot tubs. The water must be used in the dwelling. System must be certified by Solar Rating and Certification Corp.
	Photovoltaic Systems	Must provide electricity for the residence and meet fire and electrical code requirements	30% of cost, up to \$2,000	N/A
Fuel Cells	Fuel Cells	Efficiency of at least 30% and must have a capacity of at least 0.5 kW	30% of cost up to \$1,000 per kW of power produced	N/A

¹ Manufacturer's Certification Statement is required for all product types *except* Exterior Windows and Skylights.

² Either the 2001 Supplement of the 2000 International Energy Conservation Code or the 2004 Supplement of the 2003 International Energy Conservation Code.

³ Subject to a \$500 lifetime maximum per homeowner for all improvements combined.

⁴ A Manufacturer's Certification is a signed statement from the manufacturer certifying that the product or component qualifies for the tax credit. The IRS encourages manufacturers to provide these Certifications on their website to facilitate identification of qualified products. Taxpayers must keep a copy for their records.

⁵ The California counties where ENERGY STAR qualified doors may not qualify are: Alpine, Lassen, Modoc, Mono and Plumas. In these counties, exterior doors must have a U-Factor of 0.35 and any Solar Heat Gain Coefficient (SHGC).

⁶ See IRS guidance on Page 12-10 for qualification of siding installed before 12/1/06.