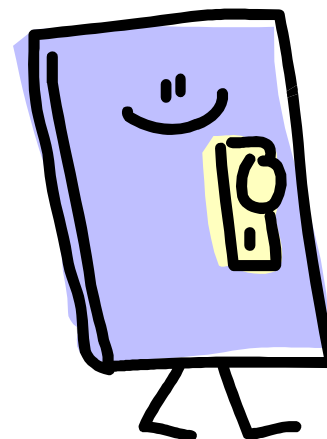


# **Residential energy credits for qualified home improvements**



## **What?**

- The residential energy credits on this fact sheet provide a federal tax credit for 2011, 2012, and 2013.
- Qualifying home improvements get a 10% credit with a life-time limit of \$500. Taxpayers who claimed the energy credits in earlier years only qualify if the previous credits taken (after 12/31/2005) are less than \$500.
- These credits are non-refundable. They can only reduce your tax to \$0, and can not be carried forward.
- The energy credits are not limited by the alternative minimum tax (AMT).

## **Who qualifies?**

- Qualified energy property needs to be purchased, installed, and placed into use in a taxpayer's principal residence during the year to get a refund.
- There is no upper income limitation to qualify for energy credits, but low income taxpayers with no tax will not benefit.

## **What purchases qualify for the \$500 (max) credit?**

- The following building envelope components must meet Energy Star requirements:
  - Insulation
  - Exterior windows and skylights (limited to \$200)
  - Exterior doors
  - Metal or asphalt roof designed to reduce heat loss
- The following also qualify for the credit:
  - Advanced main air circulating fan (limit \$50)
  - Central Air Conditioning (SEER 16, EER 12)
  - Natural gas, propane, or oil water heater (limit \$150)/(90% efficiency)
  - Biomass fuel stove (efficiency rating 75%)
  - Furnace/boiler (95% efficient)
  - Electric heat pump (SEER 15, EER 12.5, HSPF 8.5)

## **Tips:**

- Be sure to get verification from the manufacturer that your energy property qualifies.
- Visit the Energy Star website (Federal Tax Credits) for more specific information.