

Tax credits for energy-efficient home improvements such as windows, doors, skylights, insulation, roofing and HVAC have been increased.

Tunnel Skylights



Energy Saving Storm Doors



Energy Saving Windows



The new tax credits, according to the [Energy Star](#) Web site include:

- ✓ Tax credits that were previously effective for 2009, have been extended to 2010.
- ✓ The tax credit has been raised from 10 percent to 30 percent.
- ✓ The tax credits that were for a specific dollar amount have been converted to 30 percent of the cost.
- ✓ The maximum credit has been raised from \$500 to \$1,500 total for all improvements combined for the two-year period (2009-2010). However, some improvements such as geothermal heat pumps, solar water heaters and solar panels are not subject to the \$1,500 maximum.
- ✓ The \$200 cap on windows has been removed, but the requirements for windows (after June 1, 2009) has been increased significantly. Not all Energy Star qualified windows will qualify after June 1, 2009.

To qualify for the tax credit, windows (and doors and skylights) must have a U-factor and solar heat gain coefficient (SHGC) less than or equal to 0.30.

In addition to windows, doors and skylights, under the Existing Home Retrofit Tax Credit (Tax Code Section 25C), tax credits are available at 30 percent of the cost, up to \$1,500 total, for insulation, roofs (metal and asphalt), HVAC, water heaters (nonsolar) and bio mass stoves, according to Energy Star. Those credits apply in 2009 and 2010 for existing homes, not new constructions, which are primary residences.

Installation costs are not covered by the tax credit for windows, doors, insulation and roofs. The tax credit, up to \$1,500, is for 30 percent of the cost of materials only.

On the other hand, installation costs are covered for HVAC, biomass stoves, water heaters (including solar), solar panels, geothermal heat pumps, wind energy systems and fuel cells, up to 30 percent of the cost of the product and installation.

Summary of Tax Credits for Selected Products

Product	Tax Credit Specification	Tax Credit
Insulation	Meets 2009 IECC & Amendments	30% of cost up to \$1,500
Exterior Windows and Skylights	Before June 1, 2009 must meet Energy Star criteria; after June 1, 2009: U factor ≤ 0.30 ; SHGC ≤ 0.30	30% of cost up to \$1,500
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
Exterior Doors	Before June 1, 2009 must meet Energy Star criteria; after June 1, 2009: U factor ≤ 0.30 ; SHGC ≤ 0.30	30% of cost up to \$1,500
Storm Doors	In combination with a wood door assigned a default U-factor by IECC and does not exceed the default U-factor requirement assigned to such combination by IECC	30% of cost up to \$1,500
Roofing	All Energy Star qualified metal and reflective asphalt shingles	30% of cost up to \$1,500/td>

Source: Energy Star www.energystar.gov/taxcredits

The National Association of Home Builders (NAHB) further suggests that homeowners retain all receipts, including:

- Name and address of the manufacturer
- Make, model or other identifiers of the component
- Manufacturer's statement that the component meets the tax credit standards
- Climate zones for which the criteria are satisfied
- Improvements made in 2009 should be claimed on the taxpayer's 2009 return (filed April 15, 2010).
- New construction can qualify for tax credits for geothermal heat pumps, photovoltaics, solar water heaters, small wind energy systems and fuel cells, but not for the tax credits for windows, doors, insulation, roofs, HVAC or nonsolar water heaters.