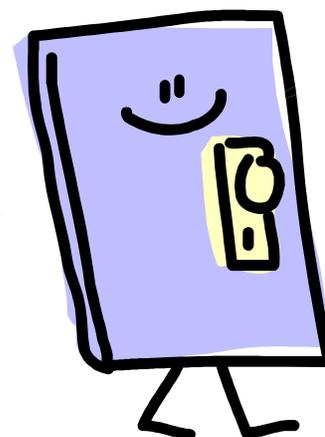


Residential energy credits for qualified home improvements 2011



What?

- The residential energy credits on this fact sheet provide a federal tax credit for 2011 only.
- 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.
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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.