

Home Improvements


Tax credits are now available for home improvements:





- must be "[placed in service](#)" from January 1, 2009 through December 31, 2010
- must be for taxpayer's principal residence
- \$1,500 is the maximum total amount that can be claimed for all products placed in service in 2009 & 2010 for most home improvements, EXCEPT for geothermal heat pumps, solar water heaters, solar panels, fuel cells, and windmills which are not subject to this cap, and are in effect through 2016
- must have a [Manufacturer Certification Statement](#)³ to qualify
- for record keeping, save your receipts and the [Manufacturer Certification Statement](#)³
- improvements made in 2009 will be claimed on your 2009 taxes (filed by April 15, 2010) — use IRS Tax Form 5695 (2009 version) — it will be available late 2009 or early 2010
- If you are building a new home, you can qualify for the tax credit for geothermal heat pumps, photovoltaics, solar water heaters, small wind systems and fuel cells, **but not the tax credits for windows, doors, insulation, roofs, HVAC, or non-solar water heaters.** [More](#).

SUMMARY OF TAX CREDITS FOR HOMEOWNERS

Product Category	Product Type	Tax Credit Specification	Tax Credit	Notes
Windows & Doors	Exterior Windows and Skylights	U factor \leq 0.30 SHGC \leq 0.30	30% of cost, up to \$1,500 ²	Not all ENERGY STAR labeled windows and skylights qualify for tax credit. More information
	Storm Windows	Meets IECC ¹ in combination with the exterior window over which it is installed, for the applicable climate zone	30% of cost, up to \$1,500 ²	Manufacturer Certification Statement ³ will list classes of exterior window (single pane, clear glass, double pane, low-E coating, etc.) ⁴ that a product may be combined with to be eligible in specific climate zones.
	Exterior Doors	U factor \leq 0.30 SHGC \leq 0.30	30% of cost, up to \$1,500 ²	Not all ENERGY STAR doors will qualify. More information
	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	30% of cost, up to \$1,500 ²	

		assigned to such combination by the IECC		
Roofing	Metal Roofs, Asphalt Roofs	ENERGY STAR qualified	30% of cost, up to \$1,500 ²	All ENERGY STAR metal and asphalt roofs qualify for the tax credit. Must be expected to last 5 years OR have a 2 year warranty.
Insulation	Insulation	Meets 2009 IECC & Amendments	30% of cost, up to \$1,500 ²	For insulation to qualify, its primary purpose must be to insulate. (example: vapor retarders are covered, insulated siding does not qualify). Must be expected to last 5 years OR have a 2 year warranty
HVAC	Central A/C	<i>Split Systems:</i> EER >= 13 SEER >= 16 <i>Package systems:</i> EER >= 12 SEER >= 14	30% of cost, up to \$1,500 ²	For a list of qualified products, go to the Consortium for Energy Efficiency product directory EXIT ↗ , click on Air Conditioners, then in the “CEE Tier” enter “Residential Advanced Tier 3” for CAC Split Systems, and “Residential Tier 2” for CAC Package Systems and ASHPs. Note — not all ENERGY STAR products will qualify for the tax credit. View ENERGY STAR criteria.
	Air Source Heat Pumps	<i>Split Systems:</i> HSPF >= 8.5 EER >= 12.5 SEER >= 15 <i>Package systems:</i> HSPF >= 8 EER >= 12 SEER >= 14	30% of cost, up to \$1,500 ²	
	Natural Gas or Propane Furnace	AFUE >= 95	30% of cost, up to \$1,500 ²	
	Oil Furnace	AFUE >= 90	30% of cost, up to \$1,500 ²	
	Gas, Propane, or Oil Hot Water Boiler	AFUE >= 90	30% of cost, up to \$1,500 ²	
	Advanced Main Air Circulating Fan	No more than 2% of furnace total energy use	30% of cost, up to \$1,500 ²	

Water Heaters	Gas, Oil, Propane Water Heater	Energy Factor ≥ 0.82 or a thermal efficiency of at least 90%.	30% of cost, up to \$1,500 ²	<p>Not all ENERGY STAR gas storage and gas condensing water heaters will qualify for the tax credit. All ENERGY STAR gas tankless models will qualify.</p> <p>All ENERGY STAR gas tankless water heaters will qualify.</p> <p>View ENERGY STAR criteria.</p> <p>For a partial list of qualifying products go to the Air Conditioning, Heating, and Refrigeration Institute (AHRI) EXIT ⇄</p>
	Electric Heat Pump Water Heater	Same criteria as ENERGY STAR: Energy Factor ≥ 2.0	30% of cost, up to \$1,500 ²	All ENERGY STAR electric heat pump water heaters qualify for the tax credit.
Biomass Stove	Biomass Stove	<p>Stove which burns biomass fuel⁵ to heat a home or heat water.</p> <p>Thermal efficiency rating of at least 75% as measured using a lower heating value.</p>	30% of cost, up to \$1,500 ²	
Geo-Thermal Heat Pump	Geo-Thermal Heat Pump	<p>Same criteria as ENERGY STAR:</p> <p>Closed Loop: EER ≥ 14.1 COP ≥ 3.3</p> <p>Open Loop: EER ≥ 16.2 COP ≥ 3.6</p> <p>Direct Expansion: EER ≥ 15 COP ≥ 3.5</p>	30% of the cost	<p>All ENERGY STAR geo-thermal heat pumps qualify for the tax credit.</p> <p>Use IRS Form 5695  EXIT ⇄</p> <p>Must be “placed into service” before December 31, 2016.</p>

Solar Energy Systems	Solar Water Heating	<p>At least half of the energy generated by the “qualifying property” must come from the sun.</p> <p>Homeowners may only claim spending on the solar water heating system property, not the entire water heating system of the household.</p> <p>The credit is not available for expenses for swimming pools or hot tubs.</p> <p>The water must be used in the dwelling.</p> <p>The system must be certified by the Solar Rating and Certification Corporation (SRCC).</p>	30% of cost	<p>All ENERGY STAR solar water heaters qualify for the tax credit.</p> <p>Use IRS Form 5695  EXIT ⇄</p> <p>Must be placed in service before December 31, 2016.</p>
	Photovoltaic Systems	Photovoltaic systems must provide electricity for the residence, and must meet applicable fire and electrical code requirement.	30% of cost	<p>Use IRS Form 5695  EXIT ⇄</p> <p>Must be placed in service before December 31, 2016.</p>
Small Wind Energy Systems	Residential Small Wind Energy Systems		30% of cost	<p>Use IRS Form 5695  EXIT ⇄</p> <p>Must be placed in service before December 31, 2016.</p>
Fuel Cells	Residential Fuel Cell and microturbine system	Efficiency of at least 30% and must have a capacity of at least 0.5 kW.	30% of the cost, up to \$1500 per .5 kW of power capacity	<p>Use IRS Form 5695  EXIT ⇄</p> <p>Must be placed in service before December 31, 2016.</p>
Cars	Hybrid gasoline-electric, diesel, battery-electric, alternative fuel, and fuel cell vehicles		Based on a formula determined by vehicle weight, technology, and fuel economy compared to base year models	<p>There is a 60,000 vehicle limit per manufacturer before a phase-out period begins. Toyota and Honda have already been phased out. Credit is still available for Ford, GM and Nissan.</p> <p>For more information visit:</p>