

# *New Tax Credits Help Energy Conscious Homeowners*

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## **New Tax Credits Help Energy Conscious Homeowners**

Are you concerned over the rising cost of heating and electricity bills? Have you put off improvements that would make your home more energy efficient and just plain nicer?

Well now Uncle Sam has given us reasons to wait no more, providing good news for procrastinators who have let money seep out of poorly ventilated homes. Federal tax credits are now available for consumers who replace aging products in their homes with energy efficient ones, such as windows, doors, roofs, and insulation.

Between now and December 31, 2007, consumers have the opportunity to make home improvements and receive some of the money back via tax credits.

According to the U.S. Department of Energy, products you can buy and the estimated tax savings you will receive on 2006 income taxes include:

- \$50 for purchasing an advanced main air circulating fan;
- \$150 for installing a highly efficient furnace or boiler;
- \$200 for installing energy efficient windows;
- \$300 for purchasing a highly efficient central air conditioner, heat pump or water heater;
- 30 percent, or up to \$2,000 for the purchase of solar water-heating equipment (this does not apply to equipment used to heat swimming pools or hot tubs).

The accompanying chart from the U.S. Department of Energy explains more about these energy efficiency tax credits now available to homeowners. Please note, retailers, accountants and home improvement contractors should be able to assist consumers with questions about the products that qualify for tax credits.

“Home improvements that utilize energy efficient products do not simply provide one time savings. Rather, by eliminating wasteful energy practices, the savings compound year after year,” said Joe Sinagra, Executive Officer of the Home Builders and Remodelers Association of Northern Vermont, a Vermont Energy Partnership member.

By increasing energy conservation measures, consumers are also taking proactive steps toward reducing the region’s demand for energy. At a time when federal and regional regulators have warned of possible rolling blackouts, energy efficiency has become important to the social welfare and economic vitality of Vermont.

## Overview of Energy Improvement Tax Credits

Product Category	Product Type	Tax Credit Specification	Tax Credit
Windows	Exterior Windows	Meet 2000 IECC & Amendments	10% of cost not to exceed \$200 total
	Skylights	Meet 2000 IECC & Amendments	10% of cost not to exceed \$200 total
	Exterior Doors	Meet 2000 IECC & Amendments	10% of cost not to exceed \$500 total
Roofing	Metal Roofs	Energy Star qualified	10% of cost not to exceed \$500 total
Insulation	Insulation	Meet 2000 IECC & Amendments	10% of cost not to exceed \$500 total
Heating Ventilation and Air Conditioning	Central AC	EER 12.5/SEER 15 split Systems EER 12/SEER 14 package systems	\$300
	Air source heat pumps	HSPF 9 EER 13 SEER 15	\$300
	Geothermal heat pump	EER 14.1 COP 3.3 closed loop  EER 16.2 COP 3.6 open loop  EER 15 COP 3.5 direct expansion	\$300
	Gas, oil, propane water heater	Energy Factor 0.80	\$300
	Electric heat pump water heater	Energy Factor 2.0	\$300
	Gas, oil, propane furnace or hot water boiler	AFUE 95	\$150
	Advanced main air circulating fan	No more than 2% of furnace total energy use	\$50

For additional information please visit the following website links:

**U.S. Department of Energy**

<http://www.energy.gov/index.htm>

**Efficiency Vermont**

<http://www.encyvermont.com/index.cfm>

*Founded in January 2005, the Vermont Energy Partnership ([www.vtep.org](http://www.vtep.org)) is a diverse group of more than 35 business, labor, and community organizations and independent energy experts working to ensure that Vermont has reliable, affordable, and clean electricity. New electric supply is essential to maintaining the state's quality of life and future prosperity. The Vermont Energy Partnership recognizes that it is imperative to address Vermont's tremendous electricity challenges today, so that Vermont remains a great place to live and work.*