



Please find a sampling of Frequently Asked Questions and Answers illustrated on the energystar.gov website. This information was published as of 7/30/2009. Please consult with the government website as well as the IRS and your tax professional and/or accountant for additional details and updates. Please note that we are providing this information as a summary only.

Frequently Asked Questions & Answers

Is the \$1,500 tax credit for each product? Each year? Each person?

Question

Is the \$1,500 tax credit available for each product? Can I get \$1,500 for windows and another \$1,500 for a new HVAC system? Can I get \$1,500 in 2009 and another \$1,500 in 2010? Can two people living in the same home both get the \$1,500 credit?

Answer

Even if you purchase multiple products you can only get a maximum of \$1,500 over the 2-year period (2009 & 2010). Basically you can spend up to \$5,000 during this 2 year period on a single or multiple products, and get 30% or \$1,500 (30% of \$5,000 = \$1,500) back as a tax credit. If you get the entire \$1,500 credit in 2009, then you can't get anything additional in 2010.

Two or more unmarried people living in the same home who own it jointly are each eligible for the tax credit on the amount of money they each individually spend to make home improvements. Example: Person A buys windows for \$5,000, and gets the entire \$1,500 (30% of \$5,000 = \$1,500) tax credit, Person B buys a central air conditioner for \$3,000 and gets back \$900 (30% of \$3,000 = \$900). [See this FAQ for married people.](#)

[Details on Tax Credits.](#)

Note: The \$1,500 maximum does not apply to geothermal heat pumps, solar water heaters, solar panels, fuel cells, and wind generators. These are all eligible for a 30% tax credit with no upper limit. However, the tax credit for fuel cells is limited to \$500 per .5 kW of power capacity. The tax credit with no upper limit is completely separate from the one limited to \$1,500 - so you can get both. For example, you can get \$1,500 back for new windows, and \$3,000 back for a new geothermal heat pump - for a total tax credit of 4,500. Here are some other issues to consider:

these are "non-refundable" tax credits so you can't get more back in tax credits than you pay in federal income tax ([more...](#))

only the tax credits that are not limited to the \$1,500 cap can be carried forward to future years ([more...](#))

Does the \$1,500 tax credit double for married people filing a joint tax return?

Question

Does the \$1,500 tax credit double for married people filing a joint tax return?

Answer

No, the \$1,500 tax credit does not double for married people filing jointly... unless both you and your spouse owned and lived apart in separate main homes.

However, married people filing separately can both claim the \$1,500 tax credit, as long as you are both claiming separate expenses. For example, you could spend \$5,000 on windows and get the \$1,500 tax credit (30% of \$5,000 = \$1,500), and your spouse could spend \$5,000 on a new HVAC system and get \$1,500 back for that.

If you have \$10,000 of tax credit eligible expenses (so, you could get a total of \$3,000 in tax credits, as opposed to just \$1,500), then you may want to run the numbers to see if filing separately this year will be more beneficial than filing jointly. Generally, filing jointly is financially better for married people.

Which products are eligible for a tax credits?

Question

Which products are eligible for a tax credits for energy efficient home improvements? Are they available for new construction also? What about vacation homes? Rental properties?

Answer

Tax credits are available at 30% of the cost, up to \$1,500 total, in 2009 & 2010 (ONLY for existing homes, NOT new construction, that are your principle residence) for:

- **Windows and Doors (including sliding glass doors, storm doors and storm windows)**
- **Insulation**
- **Roofs (Metal and Asphalt)**
- **HVAC** (See these FAQs: [Central Air Conditioners](#), [Air Source Heat Pumps](#), [Furnaces and Boilers](#))
- **Water Heaters (non-solar)**
- **Biomass Stoves**

Tax credits are available at 30% of the cost, with no upper limit, through 2016 (for existing homes & new construction - it does not have to be your principle residence, vacation homes are eligible, [see this FAQ on rentals](#)) for:

- **Geothermal Heat Pumps**
- **Solar Panels**
- **Solar Water Heater**
- **Small Wind Energy Systems**

Tax credits are available at 30% of the cost, up to \$500 per .5 kW of power capacity, through 2016 (for your existing principle residence or new construction that will be your principle residence, **DOES NOT include vacation homes**) for:

Fuel Cells

Renters are not eligible for any of the tax credits.

[Read this FAQ for a list of products that are not eligible for a tax credit.](#)

See energystar.gov/taxcredits for details.

Is there a tax credit for windows and doors?


Question

Is there a tax credit for windows and doors?

Answer

Yes, there is a tax credit for windows and doors in 2009 and 2010 at 30% of the cost, up to \$1,500. The cost of installation is not covered.

Beginning 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. This is a super efficient window, and most ENERGY STAR windows will not qualify. From January 1 - May 31, 2009 all ENERGY STAR qualified windows/doors could qualify for the tax credit.

You can find the U-factor and SHGC on the National Fenestration Rating Council (NFRC) label. [See an example of the NFRC label](#). NFRC is the only federally recognized organization for determining the energy performance of windows, doors and skylights. Please see the [NFRC website](#)  for information concerning product performance.

You do not have to replace all the windows in your home to qualify.

[More information on the windows/doors tax credits.](#)

Is there an income limit on the tax credit?

Question

Is there an income limit on the tax credit?

Answer

There is no upper or lower limit on income for the energy efficient tax credits.

However, these energy efficiency tax credits are technically "non-refundable" which means you can't get more money back in tax credits than you pay in federal income taxes (check your W2 or last year's tax return to get a sense for how much federal income tax you pay). You can claim the entire credit as long as the total amount of federal income tax that you owe, minus your deductions, is more than the total amount of all non-refundable tax credits that you are claiming.

[Some of the tax credits can be carried forward to future years.](#)

[None of the tax credits are limited by the AMT in 2009.](#)

Tax credits are being administered by the IRS (www.irs.gov/contact).

Is there a tax credit for roofs?

Question

Is there a tax credit for roofs? Which ones?

Answer

Yes, metal roofs and "reflective asphalt shingles" that also meet ENERGY STAR requirements are eligible for the tax credit. The tax credit is for 30% of the cost of roofing materials only, up to \$1,500. Installation or labor costs are not eligible for the 30% tax credit. Roof coatings are NOT eligible for the tax credit.

There are several **Metal** and **Shingle** roofs listed on the ENERGY STAR qualified product list (look in the "Type" column):

Excel: http://downloads.energystar.gov/bi/qplist/roofs_prod_list.xls

PDF: http://downloads.energystar.gov/bi/qplist/roofs_prod_list.pdf

EPA can not confirm that all ENERGY STAR qualified metal roofs or roofing shingles are eligible for the tax credit. Check with the manufacturer, and ask them to provide a [Manufacturer's Certification Statement](#).

Reflective roofs are not for everyone. They will provide the most benefit in hot sunny climates where you are using your air conditioning a lot. If your house is already shaded and the roof is not exposed to much sun, then a reflective roof may not provide a significant benefit. The benefits will also be lessened if the attic space is well insulated.

The law specifies: *Any metal roof or asphalt roof installed on a dwelling unit, but only if such roof has appropriate pigmented coatings or cooling granules which are specifically and primarily designed to reduce the heat gain of such dwelling unit.*

What products are NOT covered by the tax credit?

Question

What appliances are covered by the tax credits?

Answer

Products **not** covered by the tax credit include:

- Refrigerators
- Dishwashers
- Clothes washers
- Room air conditioners
- Lighting (Light Fixtures, CFLs, LEDs)
- Ceiling fans
- Programmable thermostats
- [Electric storage tank water heaters](#)
- [Electric Tankless water heaters](#)
- [Whole house fans](#)
- [Roof coatings](#)
- [Window Treatments](#)

[Read this FAQ for a list of products that are covered by the tax credit.](#)

How do I apply for the energy efficiency tax credits?

Question

How do I apply for the energy efficiency tax credits? What tax form do I need?

Answer

To claim the tax credit for energy efficient products " [placed in service](#)" in 2009, you will need to file the 2009 IRS Form 5695 and submit it with your 2009 taxes (by April 15, 2010). Currently, only the 2008 version of IRS Form 5695 is available. On the [2008 1040 form](#) [EXIT ↗](#), the residential energy tax credit (from Form 5695) was claimed on line 53.

Also save your receipts and the Manufacturer's Certification Statement for your records. A Manufacturer's Certification Statement is a signed statement from the manufacturer certifying that the product or component qualifies for the tax credit. The IRS encourages manufacturers to provide these Certifications on their website to facilitate identification of qualified products.

More information on tax credits: energystar.gov/taxcredits

Are installation costs covered by the tax credits?

Question

Are installation costs covered by the tax credits?

Answer

Installation costs ARE COVERED for:

- HVAC (Heating, Ventilation and Air Conditioning) systems
- Biomass Stoves
- Water Heaters (including solar)
- Solar Panels
- Geothermal Heat Pumps
- Wind Energy Systems
- Fuel Cells

The tax credit for HVAC, biomass stoves, and non-solar water heaters is 30% of the total cost (product + installation) up to \$1,500. The law specifies installation costs include: *"expenditures for labor costs properly allocable to the onsite preparation, assembly, or original installation of the property."*

The tax credit for solar water heaters, solar panels, geothermal heat pumps, wind energy systems, and fuel cells* is 30% of the total cost (product + installation), **with no upper limit**. The law specifies installation costs include: *"labor costs properly allocable to the onsite preparation, assembly, or original installation of the property and for piping or wiring to interconnect such property to the home."*

Installation costs are NOT covered by the tax credit for:

- Windows
- Doors
- Insulation
- Roofs

The tax credit for windows, doors, insulation and roofs is for 30% of the cost of materials only, up to \$1,500. [Read this FAQ on separating out the cost of installation for these products.](#)

Learn more at: energystar.gov/taxcredits

*The tax credit for fuel cells is 30% of the cost, but limited to \$500 per .5 kW of power capacity.

Is there a tax credit for water heaters?

Question

Is there a tax credit for water heaters?

Answer

There are 3 types of water heaters covered by the tax credit:

- 1) **Gas, Oil, and Propane Water Heaters** with an Energy Factor of at least .82 - OR - a thermal efficiency of at least 90%. There are several types of gas, oil, and propane water heaters (storage tank, tankless, gas condensing), but only tankless can currently meet the criteria. For a partial list of tankless water heaters that qualify for the tax credit go to the [Air-Conditioning, Heating, Refrigeration Institute \(AHRI\)](#) EXIT ↗.

Tax credit is 30% of the cost, up to \$1,500, including installation.

All ENERGY STAR gas tankless water heaters qualify for the tax credit.

Gas condensing water heaters are not on the market yet.

- 2) **Electric Heat Pump Water Heaters** are covered if they have an Energy Factor of at least 2.0. This is a new technology and currently there is only one model that qualifies on the [AHRI list](#) EXIT ↗. More heat pump water heaters are expected on the market by the end of 2009.

Tax credit is 30% of the cost, up to \$1,500, including installation.

All ENERGY STAR qualified heat pump water heaters will qualify.

(None exist today.)

- 3) **Solar Water Heaters** are covered if at least half of the energy generated comes from the sun and the system is certified by the Solar Rating and Certification Corporation (SRCC).

Tax credit is for 30% of the cost, including installation, with no upper limit.

All ENERGY STAR qualified solar water heaters qualify.

[There is no tax credit for electric storage tank or electric tankless water heaters.](#)