

Tax Credits for Your Residence

Several tax incentives are available for homeowners who make certain types of home improvements that will increase the energy efficiency. These credits all have expiration dates and vary in amount. Homeowners who use them will save themselves money at the same time they increase the current and future marketability of the property.

The table below provides brief descriptions of the credits available. Homeowners may wish to consult IRS Forms 8908, 8909 and 5695 for the “fine print” that will guide them through the criteria for the various credits. For more information visit www.irs.gov (click on Forms and Publications).

Type of Property	Amount of Credit	Use Before
Installation of property that produces solar electricity for a residence.	30% of cost of property. No limitation on amount of expenditure.	January 1, 2017
Installation of solar water heating property .	30% of cost of property, up to a maximum credit of \$2000.	January 1, 2017
Installation of property that uses small wind turbines to produce electricity for a residence.	30% of cost of property, up to a total credit of \$4000.	January 1, 2017
Installation of geothermal heat pump.	30% of costs of property, up to a maximum credit of \$2000.	January 1, 2017
Home improvements: Insulation, windows, skylights, doors, certain metal roofs (Dept. of Energy standards apply).	10% of cost, up to a total of \$500. No more than \$200 of the \$500 maximum amount can be for windows.	Available for improvements between January 1, 2009 and January 1, 2010.
Home improvements: Natural gas, propane or oil furnace or water heater (Dept. of Energy standards apply).	\$150 for furnace \$150 for water heater Included in \$500 cap (above)	Available for improvements between January 1, 2009 and January 1, 2010.
Home improvements: Electric heat pumps (as designated by Dept. of Energy) and biomass (plant-derived fuels) heating stoves.	\$300 Included in \$500 cap (above)	Available for improvements between January 1, 2009 and January 1, 2010.