

2011 ENERGY EFFICIENT BUILDING PRODUCTS FEDERAL TAX CREDIT FACT SHEET

The "Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act" (H.R. 4853) signed into law on December 17, 2010, extended the federal credit for certain residential energy products for one year at reduced levels from the 2009-2010 credit. Below is a summary of the new credit.

Qualifying Products: The credit covers Energy Star® windows, exterior doors and skylights, and certain insulation, HVAC, metal and asphalt roofing products, biomass stoves and water heaters. EnergyStar.gov will have a complete list of qualifying products posted in early 2011.

Products must be installed in a homeowner's existing primary residence; new construction is not eligible.

Credit Amount: Homeowners can claim a credit of 10% up to \$500 of the purchase price of qualifying products. Certain products are capped at lower levels, including:

- Windows and skylights, \$200 cap
- Advanced main air circulating fan, \$50 cap
- Qualified natural gas, propane or oil furnace or hot water boiler, \$150 cap
- Any item of energy-efficient building property (HVAC, water heaters, biomass stove), \$300 cap

Installation costs are not included for windows, doors, skylights, insulation or roofing.

Lifetime Cap: Congress enacted an extension of the existing credit with a new lifetime limit of \$500 in aggregate credits that a homeowner can claim from Jan 1, 2006 to Dec. 31, 2011. It is not on top of the \$1,500 limit in 2009-2010. So if they have already reached the \$500 aggregate limit, they are no longer eligible to claim the credit in 2011. The \$500 aggregate lifetime limit is for any combination of all qualifying products. If they claimed less than \$500, they can claim the difference up to the \$200 cap for windows and skylights and \$500 for other products (except those with lower caps, listed above).

Duration: The revised tax credit is in effect for products installed in a consumer's primary residence between January 1 and December 31, 2011.

Additional Information: The government is expected to post additional information at www.energystar.gov. The IRS is expected to post official guidance at www.irs.gov in early 2011. Circumstances vary widely, so homeowners should consult with their tax adviser for further guidance.