



Energy Credits – what are they? How much? What qualifies?

First of all, let me say that this website - http://www.energystar.gov/index.cfm?c=tax_credits.tx_index – has all the information you could need regarding what qualifies for a tax credit. You may also find this website useful - <http://www.consumersenergy.com/eeprograms/Landing.aspx?ID=793> (Consumers Energy's credits).

Secondly – I'm not going to talk about every single item that qualifies. If you're interested in a solar water heater, for example, please call and talk to one of us. Those go beyond the scope of this article.

Third – when it comes to most common items that give rise to the credits – windows, doors and furnaces, the manufacturer has to certify that the item complies with the rules, and you must keep a copy of that certification.

Fourth – the latest tax legislation passed in January of 2013, extended energy credits through 2013.

So – basically – what qualifies?

1. Insulation – all the normal kind, including weather-stripping, spray foam in a can, caulk designed to air seal, house wrap.
 - a. Must have manufacturer's certification statement.
 - b. Up to 10% of cost, maximum of \$500
2. Windows / doors
 - a. All I can tell you is to make sure you have the manufacturer's certification label, and that it be for this region of the country (buying windows that meet the southern region criteria for a Michigan home will NOT qualify).
 - b. The criteria for qualification are measured in "U" factors and "SHGC" factors that I won't bother to explain here. Again, make sure you get the manufacturer's statement.
 - c. Windows – credit is 10% of the cost of the window (not including installation) up to \$200; doors are a 10% credit but up to \$500 (again, do not include the cost of installation).

3. Roofing – “metal roofs with appropriate pigmented coatings” and “asphalt roofs with appropriate cooling granules”. Enough said? Get the manufacturer’s certification statement!
4. Furnaces
 - a. Natural gas – AFUE of 95 or greater
 - b. Propane – AFUE of 90 or greater.
 - c. Tax
 - d. Credit is \$150
5. Central Air – (usually combined w/ the furnace) – SEER \geq 16 and EER \geq 13.
 - a. No, we don’t know what those terms mean!
 - b. Again.... Get the manufacturer’s certification statement!
 - c. Credit is \$300

The others I won’t go into: water heaters (very few qualify, mostly tankless), biomass stoves, air source heat pump, solar energy systems, small wind energy, fuel cells and boilers. If you have one of those, please contact us.

Another thing to remember – these credits were much higher in the past, and if you already took the maximum credit in some prior year you can’t take a credit for a new purchase in 2013. It’s not a year-by-year credit; it’s a “cumulative” type of credit, so these credits are really probably only available to you if you’ve never taken the credit before.

Please feel free to send me an email if you have any further questions.

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