

# Energy Savers

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## Tax Credits for Energy Efficiency

If you purchase an energy-efficient product or renewable energy system for your home, you may be eligible for a federal tax credit. Below is an overview of the federal tax credits for energy efficiency that are currently available.

- [How to Claim Your Tax Credit](#)
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While some energy efficiency tax credits are available through 2011, others are available through 2016 as noted below. In addition, tax credits were available in 2009 and 2010 which can still be claimed on your 2010 taxes. Learn more about the [tax credits that expired at the end of 2010](#).

### How to Claim Your Tax Credit

- Visit the [IRS website](#) to obtain the correct forms for the tax year you are filing.
  - For example, claim improvements made in 2010 on your 2010 taxes, filed by April 18, 2011.
- Use the following forms:
  - For renewable and efficiency credits: [IRS Form 5695](#)
  - For alternative motor vehicle credits: IRS Form 8910. Also download instructions for form 8910.
  - For qualified plug-in electric drive motor vehicle credits: [IRS Form 8936](#)
- Save your receipts, or make copies of them, and the Manufacturer Certification Statement for your records.
- NOTE: The credits are nonrefundable—in other words, the credits are only available to the extent you have a tax liability. The credits for home energy improvement products eligible through 2011 may be limited if you are subject to the AMT.
- Tax credits can only be claimed once, and are limited to the year in which they are purchased: If you claimed a home energy improvement tax credit on your 2010 taxes, you cannot take an additional credit for the same purchase on your 2011 taxes.
- There is a \$500 lifetime limit on the federal tax credits that expire in December 2011 (not those that expire in 2016). If you have received a total of \$500 or more in these tax credits from 2006-2010, you are not eligible for any more.

## Products Eligible for Tax Credits Through 2011

These credits are documented in Part I of IRS form 5695 as "Nonbusiness Energy Property Credits."

### Biomass Stoves



**Credit:** \$300

**When and Where:**  
2011 only  
Existing primary residence

Credit: ©/Stockphoto.com/JillKyle

[See details](#)

### HVAC

## FEATURES



**Find Appliance Rebates in Your State**

## FIND WHAT YOU NEEDED?

Yes  No

## ENERGY SAVERS BLOG

### Save a Little Energy this 4th of July

22 hours ago

### What Do You Set Your Thermostat to?

Jun 29, 2012

### Training Your Thermostat to Save Money... and Energy!

Jun 25, 2012

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## Energy Savers: Tax Credits for Energy Efficiency



**Credit:** See details

**When and Where:**

2011 only  
Existing primary residence

*Credit:*  
©iStockphoto.com/Kameleon007

[See details](#)

**Insulation**



**Credit:** 10% of the cost, up to \$500

**When and Where:**

2011 only  
Existing primary residence

*Credit:* ©iStockphoto.com/DonNichols

[See details](#)

**Roofing**



**Credit:** 10% of cost, up to \$500

**When and Where:**

2011 only  
Existing primary residence

*Credit:* ©iStockphoto.com/Ju-Lee

[See details](#)

**Water Heaters (non-solar)**



**Credit:** \$300

**When and Where:**

2011 only  
Existing primary residence

*Credit:*  
©iStockphoto.com/Andrew\_Howe

[See details](#)

**Windows, Doors, and Skylights**



**Credit:** 10% of the cost, up to \$500, but windows are capped at \$200

**When and Where:**

2011 only  
Existing primary residence

*Credit:* ©iStockphoto.com/Skyak

[See details](#)

## Products Eligible for Tax Credits Through 2016

These credits are documented in Part II of IRS form 5695 as "Residential Energy Efficient Property Credit."

Tax credits for these products are available at 30% of the cost, with no upper limit, through 2016 (Select "See Details" for more information on each product, or see the [printable version](#)).

**Geothermal Heat Pump**



**Credit:** 30% of cost, with no upper limit

**When and Where:**

Must be "placed in service" by Dec. 31, 2016  
Available on principal home or second home.  
New and existing homes

*Credit:* Bruce Green

[See details](#)

Product	Requirements	More Information
<b>Geothermal</b>	Closed Loop: EER >= 14.1; COP >= 3.3	Learn more about <a href="#">geothermal heat</a>

## Energy Savers: Tax Credits for Energy Efficiency

<b>Heat Pump</b>	<p>Open Loop: EER &gt;= 16.2; COP &gt;= 3.6                  Direct Expansion: EER &gt;= 15; COP &gt;= 3.5</p> <p>Credit includes installation costs.</p>	<p><a href="#">pumps</a>, including:</p> <ul style="list-style-type: none"> <li>• <a href="#">Types of geothermal heat pumps</a></li> <li>• <a href="#">Efficiency ratings</a> of geothermal heat pumps</li> </ul> <p>All <a href="#">ENERGY STAR geothermal heat pumps</a> qualify.</p>
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### Solar Energy Systems



Credit: Cheryl Unger

**Credit:** 30% of cost, with no upper limit

**When and Where:**

Must be "placed in service" by Dec. 31, 2016  
 Available on principal home or second home.  
 New and existing homes

[See details](#)

Product	Requirements	More Information
<b>Solar Water Heating Property</b>	<p>At least half of the energy generated by the "qualifying property" must come from the sun.</p> <p>The system must be certified by the <a href="#">Solar Rating and Certification Corporation</a> (SRCC).</p> <p>Credit includes installation costs.</p>	<p>Learn more about <a href="#">solar water heaters</a>. All <a href="#">ENERGY STAR solar water heaters</a> qualify.</p> <p>The water must be used in the dwelling. The credit is not available for expenses for swimming pools or hot tubs.</p> <p>Tax credits are only available for the solar water heating system property, not the entire water heating system of the household.</p>
<b>Photovoltaic Systems (Solar Electric Property)</b>	<p>Photovoltaic systems must provide electricity for the residence and must meet applicable fire and electrical code requirement.</p>	<p>Learn more about:</p> <ul style="list-style-type: none"> <li>• <a href="#">Small solar electric systems</a></li> <li>• Things to consider when <a href="#">making your own electricity</a> with renewable energy systems</li> </ul>

### Wind Energy Systems



Credit: Bergey WindPower

**Credit:** 30% of cost, with no upper limit

**When and Where:**

Must be "placed in service" by Dec. 31, 2016  
 Available on principal home or second home.  
 New and existing homes

[See details](#)

### Fuel Cells



Credit: Capstone Turbine Corporation

**Credit:** 30% of cost, up to \$500 per .5 kW of power capacity

**When and Where:**

Must be "placed in service" by Dec. 31, 2016  
 Primary residence  
 New and existing homes

[See details](#)

## Vehicle Tax Credits

Tax credits are also available for some vehicles (Select "See Details" for more information on each product, or see the [printable version](#)).

### Plug-In Electric Vehicles



Credit: ©iStockphoto.com

**Credit:** Varies, see below.

**When:**

See below; credits phased-out after certain number of vehicles are sold.

[See details](#)

## You May Be Eligible for Additional Incentives

## Energy Savers: Tax Credits for Energy Efficiency

The tax credits listed here are **federal** tax credits.

These can be combined with other **state, local, and utility incentives**.

- Visit the [Database of State Incentives for Renewables and Efficiency](#) to find out if you are eligible for other incentives.
- If you are purchasing appliances, learn about the [state rebates for ENERGY STAR appliances](#).

### Related Links

- [Tax Incentives Assistance Project](#)
- [ENERGY STAR Summary of Federal Tax Credits for Energy Efficiency](#)
- [IRS videos, podcasts, and detailed information about home energy tax credits](#) in English and Espanol

**Note:** This summary is for informational purposes only and should not be considered official tax information. Please see the [IRS web site](#) for official tax guidance.

- IRS Notice 2009-53 [Interim guidance for Section 25C: Nonbusiness Energy Property](#)
- IRS Notice 2009-41 [Interim guidance for Section 25D: Credit for Residential Energy Efficient Property](#)

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