

Confused about tax credits for home energy efficiency improvements? This page should help.

2009 is a great year for tax credits, rebates and incentives for green home building. There are rebates from utilities, and mortgage credits as well as federal and state tax credits.

Federal Tax Incentives and the February 2009 "Stimulus Bill"

(Information from www.energystar.gov)

On February 17, 2009, President Obama signed the "Stimulus Bill" (The American Recovery and Reinvestment Act of 2009) that made significant changes to the energy efficiency tax credits. These changes apply to products "placed in service" in 2009. The highlights are:

- The tax credits that were previously effective only until 2009 have been extended to 2010.
- The tax credit has been raised from 10% to 30%.
- The tax credits that were for a specific dollar amount (ex \$300 for a CAC), have been converted to 30% of the cost.
- The maximum credit has been raised from \$500 to \$1,500 total for the two year period (2009-2010). However, some improvements such as geothermal heat pumps, solar water heaters, and solar panels are not subject to the \$1,500 maximum.
- The \$200 cap on windows has been removed, but the requirements for windows has been increased significantly. Not all ENERGY STAR qualified windows will qualify.

Tax credits for qualified energy efficient home improvements 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:

- Insulation
- Windows (including storm windows)
- Skylights
- Doors (including patio & sliding glass)
- Roofs (metal & asphalt)
- Central air conditioners
- Air source heat pumps
- Gas, Oil, or Propane Furnace or Hot Water Boiler
- Advanced Main Air Circulating Fans
- Biomass stoves
- Water Heaters (non-solar)

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 and rentals are eligible) 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 and rentals) for:

- Fuel Cells

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

- Refrigerators
- Dishwashers
- Clothes washers
- Room air conditioners
- Ceiling fans
- Programmable thermostats
- Electric storage tank water heaters
- Electric Tankless water heaters

For more information regarding federal tax credits, visit www.energystar.gov/taxcredits.

State of Oregon Tax Incentives

Effective November 2008, homeowners and renters who pay Oregon income taxes are eligible for the Residential Energy Tax Credit when they purchase premium-efficiency appliances, heating and cooling systems, duct systems, closed-loop geothermal space or water heating systems, solar water and space heating systems, photovoltaics, wind, fuel cells, and alternative fuel vehicles and charging or fueling systems.

The Oregon Department of Energy manages the Residential Energy Tax Credit Program. Following is a list of the energy efficient products and technologies that are eligible for a tax credit. For more information visit their Web site at <http://oregon.gov/ENERGY/CONS/RES/RETC.shtml> or contact 1-800-221-8035.

For eligible models, application forms and additional information, see individual links provided below.

New Appliances

(Credits range from \$60 to \$180 depending on the model, additional incentives may be offered by your utility service)

- Clothes Washers
- Dishwasher
- Refrigerators/Freezers

<http://egov.oregon.gov/ENERGY/CONS/RES/tax/appliances.shtml>

Fuel Cells

<http://egov.oregon.gov/ENERGY/CONS/RES/tax/fuelcell.shtml>

Heating and Air Conditioning Systems

(Tax Credits up to 25% of net purchase price)

- Air Conditioning Systems
- Combo Space and Water Heating Systems
- Duct Air Sealing
- Furnaces and Boilers
- Heat Pump Systems
- Heat Recovery and Energy Recovery Ventilation System
- Geothermal Space Heating/Ground-source Heat Pumps

<http://egov.oregon.gov/ENERGY/CONS/RES/tax/HVAC.shtml>

Solar

(Tax Credits up to \$1,500 per year for each system)

- Passive Solar Space Heat
- Active Solar Space Heat
- Solar Water Heating
- Solar Pool/Spa Heat
- Solar Electric Systems (Photovoltaic) (save up to \$6,000 or 50% of the installed cost over a 4 to 5 year period.)

<http://egov.oregon.gov/ENERGY/RENEW/Solar/Support-RETC.shtml>

Water Heaters

(Tax credits up to 25% of net purchase price)

- Wastewater Heat Recovery
- Combo Space and Water Heating Systems

<http://egov.oregon.gov/ENERGY/CONS/RES/tax/waterheaters.shtml>

Wind Systems

(Tax credit of 60 cents per estimated kilowatt hour saved during the first year, up to \$1,500)

<http://egov.oregon.gov/ENERGY/CONS/RES/tax/wind.shtml>

Renewable Fuel/Hybrid Vehicles

(Credits up to \$1,500 for residential and depending on the vehicle, and more for business use)

<http://egov.oregon.gov/ENERGY/TRANS/hybridcr.shtml>

Additional Information:

Oregon Residential Energy Tax Credit Brochure

<http://egov.oregon.gov/ENERGY/CONS/RES/tax/docs/retcbro.pdf>

Additional Incentives

Energy Trust of Oregon

Energy Trust of Oregon provides home evaluation services, cash incentives, access to qualified trade ally contractors, and limited-time promotions to help you make energy-saving improvements in your home. For more information see

<http://www.energytrust.org/residential/existinghomes/index.html>

Mortgage Credits

If you are building or buying a newly constructed home that qualifies as an Earth Advantage home you may be eligible for credit from your mortgage lender. See

<http://www.earthadvantage.com/about.php>

for information and a list of participating lenders.

Utility Rebates

Credits for specific products are available from most utility companies. For example Consumer Power offers a rebate for replacing “those old bi-metal line-voltage thermostats with new state-of-the-art electronic ones”.

See <http://www.northwestenergystar.com/partner-resources/incentives/index.php?state=OR&utility=ALL&incentives=ALL>

Other Resources

Green Made Simple is a clearing house for energy rebates, incentives and tax credits for green products. You can find comprehensive lists for available offers in your locale for appliances, cars, lighting, financing and solar power. See

<http://www.greenmadesimple.com/incentives>

Energy Trust of Oregon