

## Uncle Sam Wants YOU to Save Energy

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*First in a two-part series*

Have you been wanting to green your home, but don't have the green to do it? As part of the federal stimulus package, the government is offering a tax credit on various products that will help boost your home's energy efficiency. The tax credit covers 30 percent of the purchase price—and, in some cases, the installation cost as well—of eligible products “placed in service,” or put into use, in existing primary residences (not new construction) between January 1, 2009, and December 31, 2010. The maximum credit you can receive for all qualifying products during this period is \$1,500.

Here is a brief summary of basic eligibility requirements; because not all items in a category qualify for the tax credit, be sure to confirm product eligibility before you buy. The Energy Star website (see the Related Resources) provides more detailed information as well as resources to help you choose the right products for your home.

**For these items, the tax credit applies only to the purchase price:**

- **Windows and doors.** All Energy Star-rated products installed before June 1, 2009, are eligible. After June 1, qualifying products must meet more stringent criteria, with a value of 0.3 or lower for both U-factor (heat transfer rate) and solar heat gain coefficient (fraction of incoming solar radiation admitted). Certain heat-blocking window films also qualify; eligible films must have a certification statement, available on manufacturers' websites, noting their eligibility for the tax credit.
- **Insulation.** Most types of bulk insulation (e.g., rolls, batts, blow-in) and air leak sealants (e.g., weatherstripping, caulk) qualify. A manufacturer's certification statement is



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required.

- **Roofing.** All Energy Star-qualified metal roofs and reflective asphalt shingles are eligible. A manufacturer's certification statement is required.

**For these items, the tax credit applies to both purchase and installation costs:**

- **Space heating and cooling systems.** Central air conditioners, air-source heat pumps, furnaces, and boilers must meet specific efficiency criteria, which vary depending on the system and fuel type (see the Energy Star website for details).
- **Water heaters (non-solar).** Gas-, oil-, and propane-fired units must have an energy factor (EF)—a measure of overall energy efficiency—of 0.82 or higher or a thermal efficiency rating (a measure of how effectively fuel is converted to heat) of at least 90 percent. Electric heat pump water heaters with an EF of 2.0 or higher qualify as well; conventional electric water heaters (storage or tankless) do not.
- **Biomass stoves.** Units using plant-derived fuel (e.g., wood, wood pellets, grasses) with a thermal efficiency rating of at least 75 percent qualify. To reduce air pollution, choose the stove with the lowest emissions possible.

States and utilities may offer additional incentives (see the Related Resources) for the products listed above, or for products not included in the federal tax program, allowing you to save even more money.

Stay tuned for next month's Greentips on how you can cash in on renewable energy upgrades in your home.

#### **Related Resources**

[Energy Star—Federal Tax Credits for Energy Efficiency](#)

[Tax Incentives Assistance Project—Consumer Tax Incentives](#)

[Database of State Incentives for Renewables & Efficiency](#)