



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](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. Also, check out <http://www.dteenergy.com/residentialCustomers/saveEnergy/rebates/resHeatCoolRebates.html> for information on DTE Energy’s credits for new furnaces and <http://www.consumersenergy.com/eeprograms/Landing.aspx?ID=793> for 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 – all items must be “placed in service” from January 1, 2009 to December 31, 2010. They must be for **your principal residence (not a cottage); \$1,500 is the total credit you can claim between the 2009 and 2010 tax returns – not \$1,500 both years, but \$1,500 combined (so \$1,400 one year, \$100 the next)**. Some of the items least likely to be used – solar power, geothermal heat pumps – do not have this \$1,500 limit and don’t expire until 2016. Finally – if you’re building a new house the only items that could qualify are, again, the least likely to be used – solar power, fuel cells, etc.

So – basically – what qualifies?

1. Insulation – all the normal kind, including weatherstripping, spray foam in a can, caulk designed to air seal, house wrap.
  - a. Must have manufacturer’s certification statement.
  - b. Up to 30% of cost, maximum of \$1,500
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.
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.
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!

The others I won’t go into: water heaters (very few qualify, mostly tankless), biomass stoves, geo-thermal heat pump, solar energy systems, small wind energy, fuel cells.

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

Jeff Mulder, CPA  
VanderLugt, Mulder, DeVries & Elders  
2900 28<sup>th</sup> Street SW  
Grandville, MI 49418  
[Jeff@vmde.com](mailto:Jeff@vmde.com)