

U.S. Department of Energy - Energy Efficiency and Renewable Energy Energy Savers

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 you will find an overview of the federal tax credits for energy efficiency.

How to Claim Your Tax Credit

- Claim improvements made in 2009 on your 2009 taxes, filed by April 15, 2010.
- Use the 2009 version of IRS Tax Form 5695 ([PDF 107 KB](#)). [Download Adobe Reader](#).
- Save your receipts and the Manufacturer Certification Statement for your records.

Products Eligible for Tax Credits Through 2010

The products in this section are eligible for tax credits at 30% of the cost, up to a total credit of \$1,500; they must be "placed in service" from January 1, 2009 through December 31, 2010. Select "See Details" under each section below for more information on each product, or see the [printable version](#)):

Note that the \$1,500 maximum limit is for all of the efficiency measures combined over the two-year 2009-2010 period; you can purchase up to \$5,000 worth of products over the two years and get 30% or \$1,500 as a tax credit. If you get the full \$1,500 tax credit in 2009, you are not eligible for a tax credit on these products in 2010.

The maximum does not apply to geothermal heat pumps, solar energy systems, wind energy systems, and fuel cells, which have no upper limit and are listed below under "Products Eligible for Tax Credits Through 2016." You can receive both the tax credit capped at \$1,500 and the tax credit for products with no upper limit. See the [ENERGY STAR FAQ](#) for more information on tax credit amounts.

Biomass Stoves



Credit: 30% of cost, up to \$1,500

When and Where:

2009 and 2010 only
Primary residence only
Existing homes only

See details

Product	Requirements	More Information
Biomass stoves	Thermal efficiency rating of at least 75% as measured using a lower heating value. Credit includes installation costs.	Biomass stoves burn biomass fuel to heat a home or heat water. "Biomass fuel" includes agricultural crops and trees, wood and wood waste and residues (including wood pellets), plants (including aquatic plants), grasses, residues, and fibers. Learn more about: <ul style="list-style-type: none"> • Wood and pellet heating systems • Burning wood safely and efficiently

HVAC



Credit: 30% of cost, up to \$1,500

When and Where:

2009 and 2010 only
Primary residence only
Existing homes only

See details

Product	Requirements	More Information
Central Air Conditioning	<p>Split Systems: EER \geq 13; SEER \geq 16</p> <p>Package systems: EER \geq 12; SEER \geq 14</p> <p>Credit includes installation costs.</p>	<p>Learn more about:</p> <ul style="list-style-type: none"> • Air conditioners and efficiency ratings • Split systems vs. package systems <p>You may need to replace both your heating and cooling systems to qualify for the tax credit. Learn why.</p> <p>Not all ENERGY STAR products qualify. See ENERGY STAR's FAQ for more information on qualifying air conditioners.</p>
Air-Source Heat Pumps	<p>Split Systems: HSPF \geq 8.5; EER \geq 12.5; SEER \geq 15</p> <p>Package systems: HSPF \geq 8; EER \geq 12; SEER \geq 14</p> <p>Credit includes installation costs.</p>	<p>Learn more about:</p> <ul style="list-style-type: none"> • Air-source heat pumps and efficiency ratings • Split systems vs. package systems <p>Not all ENERGY STAR products qualify. See ENERGY STAR's FAQ for more information on qualifying heat pumps.</p>
Furnaces and Boilers	<p>Natural Gas or Propane Furnace: AFUE \geq 95</p> <p>Oil Furnace: AFUE \geq 90</p> <p>Gas, Propane, or Oil Hot Water Boiler: AFUE \geq 90</p> <p>Credit includes installation costs.</p>	<p>Learn more about:</p> <ul style="list-style-type: none"> • Furnaces and boilers and efficiency ratings <p>Not all ENERGY STAR products qualify. See ENERGY STAR's FAQ for more information on qualifying furnaces and boilers.</p>
Advanced Main Air Circulating Fan	<p>No more than 2% of furnace total energy use.</p>	<p>See ENERGY STAR FAQ if the fan qualifies but the furnace does not (and vice versa).</p>

Insulation



Credit: 30% of cost, up to \$1,500

When and Where:

2009 and 2010 only
Primary residence only
Existing homes only

See details

Product	Requirements	More Information
Insulation and air sealing products	<p>Primary purpose must be to insulate (example: insulated siding does not qualify).</p> <p>Must meet 2009 International Energy Conservation Code (IECC) & Amendments</p> <p>Credit does not include installation and labor costs.</p>	<p>Learn more about insulation:</p> <ul style="list-style-type: none"> • Insulating an existing home • Where to insulate • Types of insulation • R-Value recommendations for your area <p>Learn more about air sealing:</p> <ul style="list-style-type: none"> • Air sealing an existing home • Caulking and weatherstripping

Roofing



Credit: 30% of cost, up to \$1,500

When and Where:

2009 and 2010 only
 Primary residence only
 Existing homes only

See details

Product	Requirements	More Information
Metal roofs, asphalt roofs	<p>All ENERGY STAR qualified metal and reflective asphalt shingles.</p> <p>Materials only; installation or labor costs are not eligible for the 30% tax credit.</p>	<p>The credit is for "Any metal roof or asphalt roof installed on a dwelling unit, but only if such roof has appropriate pigmented coatings or cooling granules which are specifically and primarily designed to reduce the heat gain of such dwelling unit."</p> <p>See ENERGY STAR's FAQ for more information on qualifying roofs.</p>

Water Heaters (non-solar)



Credit: 30% of cost, up to \$1,500

When and Where:

2009 and 2010 only
 Primary residence only
 Existing homes only

See details

Product	Requirements	More Information
Gas, Oil, Propane Water Heater	Energy Factor ≥ 0.82 or a thermal efficiency of at least 90%. Credit includes installation costs.	<ul style="list-style-type: none"> All ENERGY STAR gas tankless water heaters qualify for the tax credit. Learn more about tankless water heaters Most storage tank water heaters will not qualify for the credit. Electric storage tank and electric tankless water heaters are not eligible for tax credits. Find out why. <p>For complete details, see the ENERGY STAR FAQ on qualifying water heaters.</p>
Electric Heat Pump Water Heater	Energy Factor ≥ 2.0 . Credit includes installation costs.	<p>Learn more about heat pump water heaters. All ENERGY STAR heat pump water heaters will qualify.</p> <p>See ENERGY STAR FAQ on qualifying water heaters.</p>

Windows and Doors



Credit: 30% of cost, up to \$1,500

When and Where:

2009 and 2010 only
Primary residence only
Existing homes only

See details

Product	Requirements	More Information
Exterior windows, doors, skylights	<p>Before June 1, 2009: Must meet ENERGY STAR criteria</p> <p>After June 1, 2009: U factor \leq 0.30; SHGC \leq 0.30 (Not all ENERGY STAR products qualify.)</p>	<p>Learn more about:</p> <ul style="list-style-type: none"> • Energy performance ratings for windows, doors, and skylights (including U factor and SHGC) • Selecting energy-efficient windows • Selecting energy-efficient exterior doors • Selecting energy-efficient skylights <p>ENERGY STAR labels can be used to document doors, windows, and skylights bought before June 1, 2009.</p>
Storm windows and doors	U factor \leq 0.30; SHGC \leq 0.30 (when combined with the exterior window or door over which it is installed)	<p>Learn more about:</p> <ul style="list-style-type: none"> • Energy performance ratings for windows, doors, and skylights (including U factor and SHGC) • Selecting storm windows • Selecting storm doors. <p>Storm windows and doors must meet the code established by the International Energy Conservation Code (IECC). Ask retailer or manufacturer for a manufacturer's certification statement.</p>

Products Eligible for Tax Credits Through 2016

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

Primary residences. Vacation homes eligible for partial credit; no rentals.

New and existing homes

[See details](#)

Product	Requirements	More Information
Geothermal Heat Pump	Closed Loop: EER \geq 14.1; COP \geq 3.3 Open Loop: EER \geq 16.2; COP \geq 3.6 Direct Expansion: EER \geq 15; COP \geq 3.5	Learn more about geothermal heat pumps , including: <ul style="list-style-type: none"> • Types of geothermal heat pumps • Efficiency ratings of geothermal heat pumps All ENERGY STAR geothermal heat pumps qualify. See the ENERGY STAR FAQ for more details on the tax credit.

Solar Energy Systems



Credit: 30% of cost, with no upper limit

When and Where:

Must be "placed in service" by Dec. 31, 2016

Primary residence. Vacation homes eligible for partial credit; no rentals.

New and existing homes

See details

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

Wind Energy Systems



Credit: 30% of cost, with no upper limit

When and Where:

Must be "placed in service" by Dec. 31, 2016

Primary residence. Vacation homes eligible for partial credit; no rentals.

New and existing homes

See details

Product	Requirements	More Information
Residential Small Wind Turbines	Nameplate capacity of not more than 100 kilowatts.	Learn more about: <ul style="list-style-type: none"> • Small wind electric systems • Things to consider when making your own electricity with renewable energy systems

Fuel Cells



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

Product	Requirements	More Information
Residential Fuel Cell and Microturbine Systems	Efficiency of at least 30% and must have a capacity of at least 0.5 kW.	<ul style="list-style-type: none"> • Learn more about fuel cells

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](#)).

Vehicles



Credit: Varies, see below.

When:

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

See details

Product	Requirements	More Information
Hybrid gasoline-electric, diesel, battery-electric, alternative fuel, and fuel cell vehicles	Credit is based on a formula determined by vehicle weight, technology, and fuel economy compared to base year models.	<p>There is a 60,000 vehicle limit per manufacturer before a phase-out period begins. See Fueleconomy.gov to find out which vehicles are still eligible.</p> <p>Use IRS Form 8910 for hybrid vehicles purchased for personal use. Use IRS Form 3800 for hybrid vehicles purchased for business purposes. The 2009 forms will be available late 2009 or early 2010.</p>
Plug-in Hybrid Electric Vehicles	Credit: \$2,500-\$7,500, based on capacity of the battery system.	The first 250,000 vehicles sold get the full tax credit (then it phases out like the hybrid vehicle tax credits).

You May Be Eligible for Additional Incentives

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 Audio Podcast on Home Energy Tax Credits. Download [Windows Media Player](#) or [iTunes](#).
 - English ([MP3 3.1 MB](#)) [text version](#)
 - Espanol ([MP3 3.6 MB](#)) [text version](#)

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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