

Tax credits for home builders and manufacturers



Federal tax credits are available to builders and manufacturers who construct new energy-efficient homes. Although consumers cannot take these credits directly, they will benefit from the energy-saving features of the homes they purchase.

Who is eligible?

The business credits are available to builders for site-built homes and to manufacturers for manufactured homes.

The home must be certified to use at least 50 percent less energy than a comparable home that complies with the standards of the 2004 International Energy Conservation Code (including supplements).

How do the tax credits work?

SITE-BUILT HOMES

- Builders can take a credit of \$2,000 per home in the year that the home is sold. Homes placed in service (i.e., ready and available for use) between Jan. 1, 2006, and Dec. 31, 2011, are eligible.
- Building envelope improvements must account for at least one-fifth of the 50 percent energy savings.
- The home must have a heating and cooling system with the minimum efficiencies required by the Department of Energy:

- A heat pump with a minimum seasonal energy efficiency ratio (SEER) of 13 and a heating seasonal performance factor (HSPF) of 7.7.
- An air conditioner with a minimum SEER of 13.

MANUFACTURED HOMES

- Manufacturers can take a credit of \$2,000 per home in the year that the home is sold for meeting the 50 percent energy savings criterion. Homes sold between Jan. 1, 2006, and Dec. 31, 2011, are eligible.
- Alternatively, manufacturers can claim a credit of \$1,000 for each home that is certified to use 30 percent less energy or that qualifies for the ENERGY STAR® Homes program.

What goes into a high-efficiency new home?

Homes that qualify for these credits can use a wide range of innovative design and construction methods, including:

- Better-insulated foundations, walls, and ceilings
- High-efficiency windows
- Well sealed framing and air ducts
- High-efficiency heating and cooling systems.

Where can I learn more about the tax credits?

GENERAL INFORMATION

- www.energytaxincentives.org

SITE-BUILT HOMES

- www1.eere.energy.gov/buildings/building_america/
- www.irs.gov
- www.natresnet.org

MANUFACTURED HOMES

- www.energystar.gov
- www.irs.gov

Note: The information in this fact sheet is not to be viewed as tax advice, nor should it be used as the sole source of information for tax purposes. Consult a tax professional, or refer to Internal Revenue Service information at www.irs.gov.

