

# Tax credits for energy-efficient homes and products



The following federal tax credits may be available for products purchased and installed in existing homes between Jan. 1, 2011, and Dec. 31, 2011. Different terms may apply to products purchased and installed prior to 2011.

Product	Tax Credit Available to:	Estimated Tax Credit	Maximum Credit
Exterior windows	Homeowner	10% (materials cost only)	\$200
Skylights	Homeowner	10% (materials cost only)	\$200
Exterior doors	Homeowner	10% (materials cost only)	\$500
Metal roofs	Homeowner	10% (materials cost only)	\$500
Insulation	Homeowner	10% (materials cost only)	\$500
Central air conditioning	Homeowner	10% (materials and labor)	\$300
Heat pump	Homeowner	10% (materials and labor)	\$300
Ground-source heat pump	Homeowner	30% (materials and labor)	N/A
Water heater	Homeowner	10% (materials and labor)	\$300
Gas, oil, propane furnace or hot water boiler	Homeowner	10% (materials and labor)	\$150
Advanced main air circulating fan	Homeowner	10% (materials and labor)	\$50
Energy-efficient appliances	Manufacturer	Varies based on efficiency	Varies
Energy-efficient new homes (ends December 31, 2009)	Builder	\$2,000	\$2,000
Energy-efficient manufactured homes	Manufacturer	\$1,000 – \$2,000	\$2,000
Solar water heating	Homeowner	30% (materials and labor)	N/A
Photovoltaic systems	Homeowner	30% (materials and labor)	N/A

**What is a tax credit?**

To figure a tax credit, you calculate the amount of tax you would owe just as you always do, then you subtract the amount of the credit from what you owe. Thus the tax credit is a direct reduction in the amount of tax you pay.

**What is the difference between a tax credit and a tax deduction?**

A tax deduction simply reduces the amount of income on which your tax is computed. It lowers your taxable income, which is the base figure you use to calculate your tax liability. The tax credit lowers the amount of tax you pay directly.

**Where can I learn more about the tax credits?**

GENERAL INFORMATION

- [www.energytaxincentives.org](http://www.energytaxincentives.org)

SITE-BUILT HOMES

- [www1.eere.energy.gov/buildings/building\\_america/](http://www1.eere.energy.gov/buildings/building_america/)
- [www.irs.gov](http://www.irs.gov)
- [www.natresnet.org](http://www.natresnet.org)

MANUFACTURED HOMES

- [www.energystar.gov](http://www.energystar.gov)
- [www.irs.gov](http://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](http://www.irs.gov).*

