



# Build It Back Green

## Energy Efficiency Tax Credits



### CONSUMER ENERGY TAX CREDIT

A tax credit is the recognition of partial payment already made towards taxes due. The tax credit reduces the amount due at a rate of dollar for dollar. The American Recovery and Reinvestment Act of 2009 extended many consumer tax initiatives originally introduced in the Energy Policy Act of 2005 and amended in the Emergency Economic Stabilization Act of 2008.

### STATE HOME ENERGY REBATE OPTION (HERO)

The Louisiana Home Energy Rebate Option (HERO) offers a cash payment of up to \$3,000 for Louisiana residents who make energy improvements of 30% or more to existing homes. HERO is available to any Louisiana homeowner.

Applications for the Home Energy Rebate Option are made through a certified Louisiana Home Energy Rater. A list of raters can be found on the Louisiana Department of Natural Resources' web site. A home energy rating performed by a certified Louisiana Home Energy Rater is required on all homes before and after the energy improvements. This rating determines the level of energy savings, which determines the rebate quantity. The rebate will be either 25% of the cost of the energy efficient items/improvements or 25% of the present value of the energy saved by the energy efficient items/improvements made to the home, capped at \$3,000. The cost of the HERS rating (ranges from \$400 to \$600) can now be included as a cost for the rebate.

**Contact:** Louisiana Department Natural Resources website: <http://dnr.louisiana.gov>

### HOME ENERGY EFFICIENCY IMPROVEMENTS TAX CREDITS

Consumers who purchase and install specific products, such as energy-efficient windows, insulation, doors, roofs, and heating and cooling equipment in **existing homes** can receive a federal tax credit for 30% of the cost, up to \$1,500, for improvements "placed in service" starting January 1, 2009, through December 31, 2010. Save your receipts and the Manufacturer Certification Statement to qualify. Not all products qualify see chart below for specifics. Visit [energystar.gov](http://energystar.gov) for more information or talk to your tax specialist.

Product Type	Tax Credit Specification	Tax Credit
Insulation	Meets 2009 IECC & Amendments	30% of cost, up to \$1,500*
Painted Metal and Asphalt Shingles	The Energy Star label on painted metal roofing material. Asphalt shingle roofs have "cooling granules."	
Exterior Windows and Skylights	Before June 1 2009: all Energy Star After June 1 2009: U factor<= .30 SHGC<=.30	
Storm Windows	Meets IECC in combination with the exterior window over which is installed, for the applicable climate zone (southern LA is zone 2 U factor<=.75 SHGC<=.40)	
Exterior Doors	Before Jun 1 09: all energy star qualified After Jun 1 09:U factor ≥ .30 SHGC ≥ .30	

Storm Doors	In combination with a wood door over which it is installed: has a U-factor and SHGC of 0.30 or below, meets the IECC		
Central Air Conditioner	Split systems, Rated EER $\geq$ 13 or Seer $\geq$ 16	30% of cost, up to \$1,500*	
	Package systems: rated EER $\geq$ 12 or SEER $\geq$ 14		
Air Source Heat Pumps	Split systems: HSPF $\geq$ 8 EER $\geq$ 12.5 SEER $\geq$ 15		
	Package systems: HSPF $\geq$ 8 EER $\geq$ 12 SEER $\geq$ 14		
Gas, propane, or oil hot water boilers	AFUE $\geq$ 90		
Advanced air handlers	No more than 2% of furnace total energy usage		
Biomass furnace	Thermal efficiency rating of at least 75%		
Natural gas or propane furnace	AFUE $\geq$ 95		tax credits for this section also apply to the labor costs to assemble and install
Oil furnace	AFUE $\geq$ 90		
Electric Heat Pump Water Heater	Same criteria as Energy Star: Energy Factor $\geq$ 2.0. All Energy Star heat pump water heaters qualify. No electric storage or electric tankless qualify.		
Gas, Oil, Propane Water Heater	Energy Factor $\geq$ .82 or a thermal efficiency of at least 90%. All Energy Star gas tankless water heaters qualify, only very few storage tank heaters do.		

\*The \$1,500 maximum credit is for all improvements combined.

### NEW HOME BUILDERS FEDERAL TAX CREDIT

There is a \$2,000 federal tax credit for **builders** of new homes that achieve 50% energy savings for heating and cooling over the 2004 International Energy Conservation Code and supplements. Ten percent of the saving must be because of building envelope improvements. There is also a \$1,000 credit for homes that achieve 30% energy savings for heating and cooling over the 2004 IECC and supplements.

### FEDERAL AUTOMOBILE TAX CREDITS

Individuals and businesses who buy or lease a new hybrid gas-electric car or truck are eligible for an income tax credit for vehicles “placed in service” starting January 1, 2006, and purchased on or before December 31, 2010. The amount of the credit depends on the fuel economy, the weight of the vehicle, and whether the tax credit has been or is being phased out. Hybrid vehicles that use less gasoline than the average vehicle of similar weight and that meet an emissions standard qualify for the credit.