



FEDERAL TAX CREDITS FOR HIGH EFFICIENCY HEATING & COOLING MODELS

What the American Recovery and Reinvestment Act Means to You!

The American Recovery and Reinvestment Act of 2009 extended many consumer tax incentives originally introduced in the Energy Policy Act of 2005 (EPACT) and amended in the Emergency Economic Stabilization Act of 2008 (P.L. 110-343).

Consumers who purchase and install specific products, such as High efficiency heating and cooling equipment in existing homes can receive a tax credit for 30% of the cost, up to \$1,500, for improvements "placed in service" starting January 1, 2009, through December 31, 2010. See EnergyStar.gov's [Federal Tax Credits for Energy Efficiency](#) for a complete summary of energy efficiency tax credits available to consumers.

Some of the Home Energy incentives are:

- The tax credits that were previously effective for 2009, have been extended to 2010 as well
- The tax credit has been raised from 10% to 30%
- The maximum credit has been raised from \$500 to \$1500 for the two years (2009–2010)
- Energy Efficient Products must be "placed in service" from January 1, 2009 through December 31, 2010 and must be for taxpayers principal residence

Product Category	Product Type	Tax Credit Specification	Tax Credit	
HVAC	Central A/C	Split Systems: EER≥13* SEER ≥16*	30% of cost, up to \$1500 [†]	
		Package Systems: EER≥12* SEER≥14*		
		Natural Gas or Propane Furnace		AFUE ≥95**
		Oil Furnace		AFUE ≥90**
	Gas, Propane, or Oil Hot Water Boiler	AFUE ≥90**	30% of cost, up to \$1500 [†]	
Geo-Thermal Heat Pump	Geo-Thermal Heat Pump	Same Criteria as ENERGY STAR: Closed Loop: EER≥14.1* COP≥3.3*** Open Loop EER≥16.2* COP≥3.6*** Direct Expansion EER≥15* COP≥3.5***	30% of cost, NOT subject to the \$1500 cap [†]	

[†] **Tax Advice Disclaimer:** Every effort is made to keep this information accurate. However tax laws are subject to change. Please speak to a professional tax adviser for any specific energy efficiency tax credits advice.

* S.E.E.R. (Seasonal Energy Efficiency Ratio) It is the most commonly used measure of the efficiency of consumer central air conditioning systems. EER or Energy Efficiency Rating is the most commonly used measure of efficiency for commercial air conditioning systems.

** A.F.U.E (Annual Fuel Utilization Efficiency) AFUE is a rating that reflects how efficient a gas furnace converts fuel to energy. A gas furnace with an AFUE of 95 means that approximately 95 percent of the fuel is utilized to provide warmth to your home, while the remaining 5 percent flows up the flue and into the atmosphere. Therefore you are actually using 95% of the fuel you are paying for and the other 5% is being wasted up the flue vent.

*** C.O.P.(Coefficient of Performance) COP is defined as the cooling load, in kW, to power input at the compressor, in kW. The definition is very close to EER, but the units are different.