

ENERGY POLICY

ACT of 2005

TAX CREDIT SUMMARY

New Homes

Who is eligible for the tax credits?

The builder is eligible for a business credit for site-built homes, and the manufacturer is eligible for manufactured homes.

What are the tax credits for new homes?

A business credit of \$2,000 is available for new homes projected to save at least 50% of the heating and cooling energy of a comparable home that meets the standards of the 2003 International Energy Conservation Code (IECC), including supplements.

A \$1,000 credit is available to manufacturers of manufactured homes for models that save 30% or that qualify for the ENERGY STAR® Homes program.

These credits are available for buildings or systems placed in service from January 1, 2006 through December 31, 2008.

What homes are eligible for the tax credits?

Site-built homes

Builders can take a credit of \$2,000 per home in the year that the home is sold. The home must be certified to use at least 50% less energy than a comparable home that complies with the standards provided in the 2003 IECC, including supplements, and use a heating and cooling system with minimum efficiencies required by the Department of Energy. Building envelope improvements must account for at least 1/5 of the 50% energy savings.

- Heat pump–13 Seasonal Energy Efficiency Ratio (SEER); 7.7 Heating Seasonal Performance Factor (HSPF)
- Air conditioner–13 SEER

Manufactured homes

Manufacturers can take a credit of \$2,000 per home in the year that the home is sold for meeting the 50% savings criterion. Alternately, they can claim a credit of \$1,000 for each home that is certified to save 30% or that qualifies for the ENERGY STAR® Homes program.

What goes into a high-efficiency new home?

Homes can qualify for these credits using a wide range of energy efficiency measures. These can include better-insulated foundations, walls, and ceilings; high-efficiency windows; well-sealed framing and air ducts; high-efficiency heating and cooling systems; and other innovative design and construction methods.

Where can I learn more about the tax credits?

- www.energytaxincentives.org

Site-built homes

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

Manufactured homes

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

The information provided is our summary of the Energy Policy Act of 2005 and is not to be viewed as tax advice, nor should it be used as the sole source of information for tax purposes. Consult your tax professional for official guidance concerning your specific circumstances. You may also refer to Internal Revenue Service guidance on www.irs.gov.

