



Energy Credits and Deductions

Credits for individuals:

Section 25C - Nonbusiness energy property credit - limited to \$1,500 total in 2009-2010

30% of amount paid for qualified energy efficiency improvements
Certain insulation, exterior windows, skylights, exterior doors, metal or asphalt roof with pigmented coatings or cooling granules

30% of amount paid for residential energy property meeting certain performance and quality standards including:

- Energy-efficient building property
 - Electric heat pumps
 - Electric heat pump water heaters
 - Central air conditioners
 - Water heaters (natural gas, propane or oil)
 - Stoves burning biomass fuel to heat a dwelling or water
- Qualified furnaces (natural gas, propane, or oil)
- Qualified hot water boilers (natural gas, propane, or oil)
- Advanced main air circulating fans (used in furnaces)

Section 25D - Residential energy efficient property - credits allowable against regular and AMT with carryforward to succeeding year.

- 30% of qualified solar electric property expenditures
- 30% of qualified solar water heating property expenditures
- 30% of qualified fuel cell property expenditures
 - limited to \$500 per half kw of capacity
- 30% of qualified small wind energy property expenditures
- 30% of qualified geothermal heat pump property expenditures

Credits for individuals & businesses:

Section 30 - Certain plug-in electric vehicles - limited to \$2,500 per vehicle
Is a low speed vehicle or has 2 or 3 wheels

Section 30B - Alternative motor vehicle credit.

- Qualified fuel cell motor vehicles:
 - Base credits:
 - \leq 8500 lbs GVWR - \$8,000 in 2009, \$4000 thereafter
 - 8501-14000 lbs GVWR - \$10,000
 - 14001-26000 lbs GVWR - \$20,000
 - $>$ 26000 lbs GVWR - \$40,000
 - Increases for fuel efficiency from \$1,000 - \$4,000
- Advanced lean burn technology vehicles:
 - Fuel economy credit varies from \$400-\$2400 depending on fuel economy
 - Conservation credit varies from \$250-\$1000 depending on lifetime fuel savings



Credits for individuals & businesses (continued):

Section 30C - Alternative fuel vehicle refueling property credit
Refueling station for ethanol, natural gas, compressed natural gas, liquefied petroleum gas, hydrogen, a mixture of biodiesel, diesel or kerosene, and electricity.

50% of cost of property placed in service in 2009 or 2010 up to \$50,000

Section 30D - New qualified plug-in electric drive motor vehicles

- 4 wheel vehicles manufactured for use on public streets, roads & highways
- Vehicles drawing propulsion using a traction battery with at least 4 kwh of capacity which use an offboard energy source to recharge and meet certain standards.
 - Credit is limited to \$7,500. After 2009 the credit is divided into two components, a \$2,500 base and a battery capacity amount limited to \$5,000.

Business-related credits:

Credits for use of certain fuels:

Section 40 - Alcohol (including ethanol and methanol) used as fuel:
Credit is 45 cents per gallon (or 33.33 cents for lower proof blends)

Section 40A - Biodiesel and renewable diesel used as fuel:
Credit is \$1 per gallon

Credits for contractors:

Section 45L - New energy efficient home credit- available in 2009
A \$2,000 credit is available to the person who constructed the home (including substantial reconstruction or rehabilitation) or produced it (in the case of a manufactured home)

Credits for manufacturers:

Section 45M - Energy efficient appliance credit:
Dishwashers, Clothes washers, Refrigerators

Deductions for architects and engineers of public buildings or owners of commercial buildings:

Section 179D - Energy efficient commercial buildings deduction

- Allows a deduction for the cost of energy efficient commercial building property installed as part of:
 - Interior lighting systems
 - Heating, cooling, ventilation and hot water systems
 - Building envelope
- Deduction limited to \$1.80 per square foot (or \$.60 per sq. foot for one component).

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