

## 2011 Tax Credit Extension

As part of the recently passed tax bill, the 25C tax extension for residential high efficiency property has been extended for one year. This legislation included several significant changes in the 2011 tax credits compared to the 2009-2010 tax credits. The maximum tax credit that can be claimed for 2011 has been reduced from \$1500 to \$500. In addition, the 2011 tax credits have placed maximum amounts that can be claimed for the various components of the HVAC system, such as a \$150 maximum tax credit for a 95% gas furnace and \$300 for an air conditioner or heat pump. These component maximum amounts are additive to a \$500 maximum lifetime tax credit.

Most of the HVAC qualifying efficiency levels have remained the same. The only exceptions are boilers and oil furnaces, where the qualifying efficiency has been increased from 90 AFUE to 95 AFUE. The following chart summarizes the differences between the 2009-2010 tax credits and the newly passed 2011 tax credits. Changes in the 2011 tax credits are highlighted in red:

Product	2009-2010 Tax Credit	2011 Tax Credit
<b>General Provision</b>	30% of installed cost, up to \$1500	10% of installed cost, up to \$500
<b>Central A/C</b>	Split systems: 16 SEER & 13 EER Packaged: 14 SEER & 12 EER 30% of installed cost, \$1500 max	Split systems: 16 SEER & 13 EER Package systems: 14 SEER & 12 EER 10% of installed cost, \$300 max
<b>Furnaces</b>	Gas furnaces: 95 AFUE Oil furnaces: 90 AFUE Boilers: 90 AFUE 30% of installed cost, \$1500 max	Gas furnaces: 95 AFUE Oil furnaces: 95 AFUE Boilers: 95 AFUE 10% of installed cost, \$150 max
<b>Efficient Indoor Fan</b>	30% of cost of fan, \$1500 max	\$50
<b>Heat pump</b>	Splits: 15 SEER, 12.5 EER, 8.5 HSPF Packaged: 14 SEER, 12 EER, 8 HSPF 30% of installed cost, \$1500 max	Splits: 15 SEER, 12.5 EER, 8.5 HSPF Packaged: 14 SEER, 12 EER, 8 HSPF 10% of installed cost, \$300 max

As with the previous tax credits, we encourage dealers to share this information with homeowners; however, they should always advise homeowners to consult with a certified tax advisor to ensure they qualify for the tax credit. The new tax credit extension is in effect for all qualifying systems and products installed in the 2011 calendar year.