

The Tax Credit for Installing Energy Efficient Windows, Doors and Skylights

As a result of the stimulus bill, homeowners can claim a tax credit of up to \$1,500 for upgrading their primary residence with energy efficient appliances and building components, such as **exterior windows, doors and skylights**. This way, homeowners can reduce their income tax by up to thirty percent of the purchase price (not including installation costs) to qualified products installed in 2009 and 2010.

The tax credit helps you save money on the purchase of windows, doors or skylights, but the real money savings are what you'll save in the long term with reduced energy bills. Upgrading to energy-efficient windows and doors can save home-owners hundreds of dollars in heating and cooling costs each year.* And, of course, more efficient windows and doors also substantially enhance comfort, reduce condensation, and help to protect the environment and conserve limited resources.


What are the qualifying criteria?

U-factor <= 0.30, SHGC <= 0.30

In order to qualify, windows, doors, and skylights must be accompanied with a statement from the manufacturer certifying that the product complies with the tax credit criteria. Qualified windows, doors, and skylights need to have NFRC-certified U-factor and Solar Heat Gain Coefficient (SHGC) ratings that do not exceed 0.30.

Tax Credit for Efficient Windows, Doors, and Skylights

- Installed in 2009 and 2010
- 30% of purchase price
- Maximum credit: \$1,500 for qualified energy efficiency improvements (including windows, doors, and skylights)
- NFRC-certified energy ratings:
 - U-factor of 0.30 or less
 - Solar Heat Gain Coefficient (SHGC) of 0.30 or less

| | | | |
|---|-----------------------------|--|-------------|
|  | | World's Best Window Co. Millennium 2000+ Vinyl-Clad Wood Frame Double Glazing • Argon Fill • Low E Product Type: Vertical Slider | |
| ENERGY PERFORMANCE RATINGS | | | |
| U-Factor (U.S./I-P) | Solar Heat Gain Coefficient | 0.30 | 0.30 |
| ADDITIONAL PERFORMANCE RATINGS | | | |
| Visible Transmittance | Air Leakage (U.S./I-P) | 0.51 | 0.2 |
| Condensation Resistance | | 51 | — |
| <small>Manufacturer stipulates that these ratings conform to applicable NFRC procedures for determining whole product performance. NFRC ratings are determined for a fixed set of environmental conditions and a specific product size. NFRC does not recommend any product and does not warrant the suitability of any product for any specific use. Consult manufacturer's literature for other product performance information. www.nfrc.org</small> | | | |

A low U-factor indicates good insulating value, which is particularly important in cold climates, whereas a low SHGC indicates less solar heat gain, which is particularly important in climates with high cooling demand. U-factor and SHGC ratings can be found on the NFRC label. An example of the label is shown on the left.

Homeowners should keep the manufacturers certification statement with their records but are not required to submit it with their tax return.

The IRS form for requesting the home improvements tax credit is [IRS Form 5695](#) (2009 version), which will be available in late 2009 or early 2010.

Overall information on the tax credit

This document is not intended to constitute legal or tax advice. More comprehensive information is available in IRS notice 2009-53. Individuals should consult their own independent tax advisers.

For more information on the tax credit for new windows and other energy improvements, view:

- IRS Notice 2009-53 www.irs.gov/pub/irs-drop/n-09-53.pdf
- The Alliance to Save Energy site: www.ase.org/content/article/detail/2654
- The ENERGY STAR site: www.energystar.gov/index.cfm?c=products.pr_tax_credits

* View estimated savings on the ENERGY STAR site http://www.energystar.gov/index.cfm?c=windows_doors.pr_savemoney. Actual savings will vary by climate region and home characteristics.