

The Federal Tax Credit for Residential Energy-Efficiency Improvements

Homeowners can claim a tax credit if they upgrade their homes with energy efficient building envelope components, including **exterior windows, doors and skylights**. The fenestration-relevant basics of the tax credit are:

- For window, doors and skylight retrofits installed in 2006 and 2007
- Ten percent of the purchase price (not including installation costs)
- Products must be installed in primary residence
- Maximum credit is \$200 for windows and skylights, \$500 for doors - total maximum is \$500
- Windows must be installed until December 31, 2007 to qualify
- ENERGY STAR windows and skylights qualify, doors need manufacturer's statement to qualify

Qualified products

All ENERGY STAR windows and skylights qualify for the tax credit if they are installed within the climate zones shown on their label. Windows that do not have the ENERGY STAR label and doors qualify if they meet the fenestration requirements of the 2001 or 2004 supplements to the International Energy Conservation Code (IECC). The fenestration requirements of the 2004 supplement are identical with those of the 2006 IECC, which you can [view here](#).

Windows without the ENERGY STAR label and doors must come with a manufacturer's certification statement so that the homeowner can claim the tax credit. Such a statement should include the following:

- a) Name and address of the manufacturer
- b) Identification of the product type, model number, etc.
- c) A statement that the component is an Eligible Building Envelope Component that qualifies for the credit allowed under §25C of the Internal Revenue Code
- d) Indication of the climate zones for which the window qualifies in terms of the tax credit
- e) A special signed declaration by an authorized person stating the correctness of the certification statement

Claiming the tax credit

To claim the tax credit, homeowners should keep the ENERGY STAR label of windows and skylights and/or the manufacturer's certification statement with their records. The tax credit can be claimed with [IRS Form 5695](#).

IRS information on the tax credit

The information on this page is not intended to constitute legal or tax advice. More comprehensive information can be obtained from IRS Notice 2006-26, which is available on the [IRS website](#).