

Get Up to \$500 for Energy Efficient Home Improvements

What if you could make home improvements that increase your comfort, lower your energy costs, add value to your home, and do something good for the environment? And what if you could get a break on your taxes at the same time? A professional contractor who belongs to ACCA can show you how.

Updated Tax Incentives for Homeowners

Congress recently extended through December 31, 2021, the popular 25C tax credit for federal taxpayers who install qualified energy efficient retrofits in their primary residence, including higher efficiency heating, ventilation, and air conditioning (HVAC) equipment. An eligible taxpayer may claim up to \$500 in tax credits, subject to caps based on the type of equipment installed.

You may now qualify for tax credits equal to 10% of the costs (up to a \$300 limit) for installing a high efficiency central air conditioner, heat pump, or hot water heater. You may also qualify for tax credits equal to 10% of the costs (up to \$150 limit) for installing a qualified furnace or hot water boiler. A smaller tax credit of 10% of the installed costs (up to \$50 limit) is available for installing a system with an advanced main air circulating fan.

But you have to hurry because these tax credits are only available for improvements made through December 31, 2021. Not taking advantage of this incentive just leaves money on the table.

What Is Considered a High Efficiency Unit?

A qualifying split system central air conditioner must meet or exceed 16 SEER and 13 EER; package system central air conditioners must meet or exceed 14 SEER and 12 EER.

An air source heat pump must meet or exceed 15 SEER and 12.5 EER and 8.5 HSPF to qualify for the tax credit. Package heat pump systems must meet or exceed 14 SEER and 12 SEER and 8 HSPF.

Natural gas furnaces, propane furnaces, natural gas hot water boilers, propane hot water boilers, oil furnaces, and oil hot water boilers all must meet or exceed 95% AFUE. For the advanced main air circulating fan credit, the fan must use

no more than 2% of the furnace's total energy. If the fan is qualified, but the furnace is not, you will not be able to take 10% off the cost of the entire furnace. Ask your HVAC contractor to break out the cost of the fan in your bill. You can get a 10% tax credit on the cost of the fan alone. If the furnace is qualified, but the fan is not, you can still take the 10% tax credit on the full cost of the furnace.

If I claimed more than \$500 in tax credits under previous HVAC tax credit programs, am I still eligible?

No. The law has a lifetime tax credit limit, which disqualifies any homeowner who has claimed more than \$500 in residential energy tax credits since January 1, 2005, from any further credits.

Why You Should Consider an Upgrade

Advances in technology over the last 10 years mean that today's higher efficiency HVAC equipment uses less energy, runs more quietly, and provides improved indoor air quality and comfort. And by using less energy and improved refrigerants, your new HVAC equipment is better for the environment.

Most homeowners would like to reduce their energy bills with higher efficiency HVAC equipment, and these tax credits help make the initial investment more affordable.

Talk to your ACCA contractor about finding the right qualified equipment that meets your budget. They can show you how much energy (and money) you could save over the long term.

Note: Every taxpayer's situation is different. We can't guarantee eligibility for the tax credits, so you should consult with your tax adviser to see if you qualify. But your ACCA member contractor can help you figure out what equipment qualifies and how it can work for your comfort, health, and pocketbook.

ComforTools™

ComforTools help consumers make informed choices about indoor heating and cooling systems. ComforTools promote energy conservation, indoor air quality, and safe, healthy homes and buildings.

For more information, contact:

ACCA is a non-profit association serving more than 60,000 professionals and 4,000 businesses in the indoor environmental and energy services community. Founded more than 40 years ago, today ACCA sets the standards for quality comfort systems, provides leading-edge education for contractors and their employees, and fights for the interests of professional contractors in every state in the country. **We invite you to visit us at www.acca.org.**