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What is the Energy Policy Act of 2005?

The Energy Policy Act of 2005 is a comprehensive federal energy legislation that offers valuable tax credits for energy efficient home improvements.

Why should I be interested in legislation from 2005?

On Oct 3, 2008, President Bush signed into law the "Emergency Economic Stabilization Act of 2008." This bill extended tax credits from 2005 for energy efficient home improvements. Tax credits for these residential products, which had expired at the end of 2007, will now be available for improvements made during 2009. However, improvements made during 2008 are not eligible for a tax credit.

Is there another federal bill that offers tax credit for energy efficient products purchased in 2008?

No, improvements made during 2008 are not eligible for a tax credit. You might want to check for local incentives as various programs may exist regionally.

What is a tax credit?

Unlike a deduction, which reduces the amount of income subject to tax, a tax credit directly reduces the tax itself, or increases the amount of your federal tax refund.

What is the maximum amount of cost on which the credit can be figured?

It's \$2000 cumulative for three years, 2006, 2007 and 2009.

What happens if homeowner didn't file for the tax credit in 2006 or 2007?

Taxpayer may utilize the maximum \$500 federal income tax credit in the tax year 2009, assuming all improvements were made at the primary residency during the same years. Please consult your tax advisor for details.

What documentation do I need to provide to receive the tax credit?

You need to fill out IRS Form 5695. In addition to this form, homeowners should save the following:

- Purchase receipts
- All ENERGY STAR/NFRC labels from the installed product or the [manufacturer's certification statement](#)
- Use IRS Tax Form 5695. The 2009 version should be available in late 2009 or early 2010

Additional resources may also be available on the ENERGY STAR web site:

http://www.energystar.gov/index.cfm?c=products.pr_tax_credits

Are there local incentives for my county and/or city?

Many local utilities provide financial incentives for purchasing ENERGY STAR qualified skylights. To find out if rebates or incentives are available in your area, visit the ENERGY STAR rebate finder at www.energystar.gov

What does the ENERGY STAR/NFRC label look like?



What happens if the installer didn't give me labels from the ENERGY STAR rated products for this tax credit?

Not a problem. You can download the manufacturer's certification statement from your dealer's website.

The above guidance is not intended to be legal advice, and you should consult a tax professional with specific questions.

For additional information please visit your state energy office website for specific state tax information or go to <http://www.dsireusa.org/> the database of State Incentives for Renewables and Efficiency.