

The 2011 Energy Efficiency Tax Credit

The tax credit which began with the passage of the American Recovery and Reinvestment Act of 2009 has expired. However, a new tax credit for 2011 was passed as part of the tax compromise passed in December 2010 and goes into effect January 1st! While this credit is not as robust as it was for 2009 and 2010, you do have the opportunity to receive a credit of up to \$200 for qualifying products that are installed in 2011. And to make it easier to understand, all windows that meet the requirements for Energy Star will qualify!

As with any tax-related legislation, please check with your accountant to verify the availability and impact for your personal situation.

General Requirements and Limits:

What is the incentive?

For products which qualify (see below) a homeowner may claim up to 10% of the first \$2,000 in product costs as a tax credit, or a maximum of \$200. This is claimed when you file your 2011 income taxes and directly reduces the amount of taxes you pay, unlike a deduction which only affects your total income and can be phased out.

Is there a time limit?

Yes, qualifying windows and other products must be installed in 2011.

Specific Window Requirements:

Do all Energy Star windows qualify for this tax credit?

YES! So unlike last year, in 2011 you can choose any Energy Star window that matches your style requirements! When you couple the tax savings with significant heating and cooling cost reduction, increased resell value for your home and reduced wear and tear on HVAC equipment, replacing your windows remains one of the best home improvement investments you can make today. And it continues to pay you back year after year!