Residential Energy-Efficiency Federal Tax Credits

Homeowners may qualify for federal tax credits for energy efficiency under the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010.

Who is eligible for tax credits?

The law extends the tax credits for energy efficiency into 2011, BUT at lower levels. The levels revert back to those in effect in 2006 and 2007, which were 10% of the cost of the improvement, up to $500, with a $200 maximum for windows, and several other set maximums.

Refer to the information below or the American Council for an Energy-Efficient Economy (ACEEE) matrix (PDF, 44 KB).

Homeowners

10% up to $500 for insulation, roofs and doors.
Windows capped at $200, but qualification now ENERGY STAR.
Furnace and boilers capped at $150 and all furnaces and boilers must meet 95% AFUE.
$50 for advanced main air circulating fan.
$300 for air conditioners, air source heat pumps, water heaters and biomass stoves.
$500 lifetime limit. If you got over $500 in tax credits from 2006 – 2010, you are not eligible for more.

Sources

The Tax Incentives Assistance Project (TIAP)
Energy Star®

When does the home improvement project need to be completed?

Home improvement projects must be completed and "placed in service" between January 1, 2011 through December 31, 2011.

Note: "Placed in service" is defined by the Internal Revenue Service (IRS) as when the property is ready and available for use.

What should I do?

Save all your home improvement project receipts and equipment documentation. Consult the IRS or your tax advisor.

PLEASE NOTE: A Manufacturer’s Certification Statement may be needed from the manufacturer certifying the product or component qualifies for the tax credit. The IRS encourages manufacturers to provide these certifications on their Web site to facilitate identification of qualified products. Taxpayers must keep a copy of the certification statement for their records, but do not have to submit a copy with their tax return.

Where can I find more information on federal tax incentives?

Complete and updated information about tax credits can be found on the Tax Incentive Assistance web site. Information on energy-efficient products can be found on the ENERGYSTAR web site. PG&E has made every effort to describe the tax credits accurately; however, PG&E cannot provide specific tax advice and recommends that you contact a tax professional with specific questions.

More information for PG&E homeowners

PG&E Residential Rebates—General Information
California Solar Initiative

More information for builders of residential new homes

Residential New Construction - California Advanced Homes Program
Energy Star Qualified New Homes
Go Solar California