



The Energy Policy Act of 2005

Tax Credits for Energy Efficient Home Improvements

The Energy Policy Act of 2005 was signed into law in August 2005. This significant piece of legislation took close to five years to develop and includes both tax incentives for advanced energy efficiency technology for residential consumers and a provision for the Department of Energy to set minimum energy efficiency standards on 16 products.

According to a study by the American Council for an Energy-Efficient Economy, there are more than \$2 billion in tax incentives included in the Energy Policy Act of 2005 for the advancement of energy saving technologies and practices. These tax incentives were modified and extended by Congress in 2008.

Credits available for consumers

The following outlines the items and amounts that are eligible for tax credits:

- Energy efficient replacement windows – 10 percent of the total cost up to \$200.
- Exterior door replacement – 10 percent of total cost up to \$500.
- Purchase and installation of certain high efficiency air conditioners, advanced air circulating fans, heat pumps, furnaces, boilers and water heaters - tax credit ranges from \$50 to \$300.
- Installing insulation and ENERGY STAR metal roofs – 10 percent of the total cost up to \$500.

- Photovoltaic cells (solar panels for home use) and home solar water heaters – 30 percent of total cost; small wind systems – tax credit up to \$4,000; geothermal heat pumps – tax credit up to \$2,000.
- Duct sealing and materials to seal cracks and leaks may be included as well – 10 percent of total cost up to \$500.

Standards for residential products

The products for residential use that the Department of Energy must set standards for include:

- Ceiling fan light kits
- Dehumidifiers
- Compact fluorescent lamps
- Torchiere lighting fixtures

Filing for tax credits

Consumers can file to receive the tax credits for energy efficiency improvements that are installed in 2009. Each household is eligible for up to \$500 total in tax credits. Tax credits for renewable projects (for example, wind or solar) will exist through 2016. Consumers can complete more than one project and claim the appropriate credits for the tax years in which the projects were performed.

Consumers can learn more about the Energy Policy Act of 2005 from the federal Department of Energy at www.doe.gov. Tax credit information is available through the Internal Revenue Service at www.irs.gov.

The Office of the Ohio Consumers' Counsel (OCC), the residential utility consumer advocate, represents the interests of 4.5 million households in proceedings before state and federal regulators and in the courts. The state agency also educates consumers about electric, natural gas, telephone and water issues and resolves complaints from individuals. To receive utility information, brochures, schedule a presentation or file a utility complaint, residential consumers may call 1-877-PICKOCC (1-877-742-5622) toll free in Ohio or visit the OCC website at www.pickocc.org.

The Office of the Ohio Consumers' Counsel is an equal opportunity employer and provider of services.

For additional information from the Office of the Ohio Consumers' Counsel:

Call: 1-877-PICKOCC (1-877-742-5622) toll free or (614) 466-8574
Write: 10 West Broad Street, Suite 1800, Columbus, Ohio 43215-3485
E-mail: occ@occ.state.oh.us • Internet Address: www.pickocc.org