



New England's #1 Residential Geothermal Installer

The Residential Energy Credit IRS Form 5695

The 2009 Reinvestment Act included a residential renewable energy tax credit. Originally the tax credit had a cap of \$2,000 but in February of 2009 the tax cap was lifted and became a 30%, uncapped credit. Consumers who install geothermal heat pumps can be eligible to receive a 30% tax credit for systems placed in service before December 31, 2016; the previous tax credit cap no longer applies.

A tax credit is generally more valuable than an equivalent tax deduction because a tax credit reduces tax dollar-for-dollar, while a deduction only removes a percentage of the tax that is owed. Consumers can itemize purchases on their federal income tax form, which will lower the total amount of tax they owe the government.

In addition to federal tax incentives, some consumers will also be eligible for utility or state rebates, as well as state tax incentives for energy-efficient homes. Check with your state's energy office web site or also your local utility provider for more information on what is available.

Some Resources for information are also found at:

You can look at the ENERGY STAR® page for more details on federal incentives:

http://www.energystar.gov/index.cfm?c=tax_credits.tx_index

DSIRE site (Database of State Incentives for Renewables and Efficiency) for information on federal, state, local, and utility incentives: <http://www.dsireusa.org/>

Federal IRS tax form is found at: <http://www.irs.gov/pub/irs-pdf/f5695.pdf>

****Please check with your accountant on your individual eligibility.
The information supplied on this document is not professional tax advice.**