



\$800.00 Savings on a New “Energy Star” Home Heating System

Kosco, the area’s leading home heating company is offering all existing and new residential customers with a “No Surprises Service Plan” a \$300.00 credit towards a new heating system purchased and installed by Kosco. This invoice credit when coupled with the recently announced New York State Home Heating System Tax Credit can save homeowners as much as \$800.00 on a new heating system.

Kosco suggests that customers with older inefficient heating systems take advantage of these great offers. They will benefit from both the equipment savings as well as burning less heating fuel with a more efficient system. “We are trying to make all of our customers aware of the New York State tax credit” Says Brian Pruiksma, service supervisor for Kosco.

Below is a brief description of the credit as well as some commonly asked questions and answers:

The Home Heating System Credit:

For tax years beginning in 2006 and 2007, an individual can take a credit against his or her New York State personal income tax based on the costs incurred by him or her on or after July 1, 2006, and before July 1, 2007, that are directly associated with the replacement of an existing home heating system. The replacement system must be installed in a residence that is the taxpayer’s principal residence at the time the costs are incurred. The residence must be located in New York State and the installation must be completed before December 31, 2007. The credit is not allowed for the installation of a home heating system in a newly constructed principal residence. To qualify for this credit, the home heating system that replaces the old system must, after installation, qualify for and be labeled with an Energy Star label. An Energy Star label is placed on a home heating system by the manufacturer pursuant to an agreement by the manufacturer with the United States Environmental Protection Agency and the United States Department of Energy. The amount of the credit is equal to 50 percent of the costs incurred on or after July 1, 2006, and before July 1, 2007, that are directly associated with the replacement of an existing home heating system. However, the credit cannot exceed \$500. If the principal residence is shared by two or more taxpayers, the amount of the credit allowable to each taxpayer is to be prorated according to the percentage of the total costs incurred by each taxpayer. If a taxpayer moves from one principal residence to another principal residence in the state, and replaces the home heating system in each residence with a heating system that meets the conditions to qualify for this credit, the taxpayer will be allowed a separate credit of up to \$500 for each residence. The credit is allowed for the tax year (2006 or 2007) in which the installation of the Energy Star labeled replacement system is completed, provided the installation is complete by December 31, 2007. However, the credit is based only on the costs incurred on or after July 1, 2006, and before July 1, 2007.

What measures are eligible?

The NY State tax credit applies only to heating systems that qualifying for the EPA's Energy Star rating system. Water heating and cooling systems are not eligible for the NY State tax credits.

What is the available tax credit?

The amount of the credit is equal to 50% of the cost of the qualifying equipment, with a maximum available credit of \$500. If the principle residence is shared by two or more taxpayers, the amount of the credit allowable will be prorated according to the percentage of the total expenditure for the equipment incurred by each taxpayer.

When do the New York State tax credits go into effect and later expire?

In order to be eligible, the purchase and installation of any measures must be performed on or after July 1, 2006 but not later than June 30, 2007.

What's the difference between a tax credit and a tax deduction?

A tax credit provides more tax relief than a tax deduction. A tax credit directly reduces the amount of income tax you have to pay, whereas a tax deduction only reduces the amount of income subject to tax.

How do I apply?

To apply, you will need to have all purchase receipts for the energy efficient measures. The final forms to use for application are still being developed by the New York Department of Taxation & Finance.

Can the credit be carried over to the next tax year?

The credit may be taken in taxable year 2006 or 2007, regardless of the exact date on which purchases were made. Note that the amount of the credit claimed may not exceed a taxpayer's personal income tax liability for that year and cannot exceed the lifetime credit value.

Where can I get more information about the New York State Tax Credits?

For more details, please see New York State Assembly Bill A11331, Part C, "Home Heating System Credit" from the New York Department of Taxation & Finance or call (518) 455-4218.

Where can I get the details about the Kosco \$300.00 New Heating System Invoice Credit?

For more details, please visit www.koscocomfort.com or call 845-331-0770



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