

Federal Tax Credits for Energy Efficiency

If you have been sitting on the fence about installing a new energy efficient heating system because of the cost, then maybe a \$1500.00 tax credit will persuade you. Thanks to the American Recovery and Reinvestment Act of 2009 (ARRA) extends, expands, and simplifies the federal income tax credits for homeowners who make energy efficiency home improvements. The law extends the consumer tax benefits for another year, through 2010; triples the total available tax credit from \$500 to \$1,500; and increases the tax credit to 30 percent of the cost of each qualified energy efficiency improvement

Still many of these purchases – like new Energy-Star heating systems are expensive so consumers must weigh the upfront costs with potential savings (often, installation costs won't count toward the credit either). Keep in mind that depending on when you complete the project you may not see that 30% tax credit for many months later. And, in some cases, such moves may not be worth it.

Knowing which products qualify for the new tax credits can also be tricky. So be certain to seek advisement from a knowledgeable home heating representative. Kosco, the area's leading home heating comfort company can help you navigate through the details and explain which systems will qualify. Kosco suggests that homeowners visit

http://www.energystar.gov/index.cfm?c=tax_credits.tx_index#s1 to gain a better understanding of the tax credits being offered.

*If you're asking yourself "What is a tax credit? Here is a simple explanation: **You don't receive an income tax credit when you buy the product, like an instant rebate. You claim the credit on your federal income tax form at the end of the year. The credit then increases the tax refund you receive or decreases the amount you have to pay. So in the end it's still money you get to keep.***

Kosco, the area's home heating and comfort company can be reached at 845-876-2033