

Some Summertime Projects Pay Off in Spring Tax Green

August 31, 2010 8:03 AM ET

New Windows, Doors Can Cool Summer Energy Bills and Boost Spring Tax Savings

KANSAS CITY, MO, Aug 31, 2010 (MARKETWIRE via COMTEX) -- Time is running out to complete summertime projects eligible for one of the home energy efficiency tax credits.

Open the door to energy-saving upgrades

The nonbusiness energy property credit expires Dec. 31 and is for 30 percent (\$1,500 total maximum for 2009 and 2010) of the cost of certain energy-saving upgrades. This includes external windows and doors, insulation, roofing, HVAC and non-solar water heaters meeting specific energy guidelines.

"Home improvements are seen by many as an investment in the value of their home," said Jackie Perlman, senior analyst with The Tax Institute at H&R Block. "However, taxpayers can see their investment pay off much sooner with these energy efficient changes."

Roughly 4 percent of taxpayers claimed an average \$750 nonbusiness energy property credit for home energy improvements on their 2009 tax returns. Taxpayers in this group are eligible to make additional improvements and claim the balance of their \$1,500 lifetime credit on their 2010 tax returns.

"REEP" the benefits of energy-producing systems

Additionally, the residential energy efficient property (REEP) credit is for 30 percent of the cost of alternative energy-producing systems, including solar energy systems, geothermal heat pumps and small wind turbines. There is no lifetime cap for this home energy efficiency tax credit and it expires in 2016.

"Energy-saving, and especially energy-producing projects, can take longer than expected, so taxpayers need to add them to summer to-do lists and get started now," Perlman said.

To learn more, use this graphic about energy tax credits or visit the Energy Star website for a complete list.

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For Further Information:

Gene King
816-854-4287
Email Contact

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