



## 2011 ENERGY CREDITS



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***About the Author:***

Ms Fieber joined the firm in 1993 and concentrates her practice in the areas of Construction Services, Individual and Business Tax Consulting and Real Estate Support Services. She has experience in Partnership and Limited Liability Company taxation. She also provides Cost Segregation Study services to businesses and investors.

On December 17, 2010, President Obama signed the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010. Among other things, this law extended the tax credits for energy efficiency into 2011, but at lower levels. The levels revert back to those in effect in 2006 and 2007, which were 10% of the cost of the improvement, up to \$500, with a \$200 maximum for windows, and several other set maximums.

Highlights of the Act include:

- A 10% credit of up to \$500 for insulation, roofs (metal & asphalt), and exterior doors.
- Windows and skylights are capped at a \$200 credit, but must meet the Energy Star qualifications.
- Furnaces and boilers are capped at \$150, and they must meet certain efficiency requirements.
- There is a limit of \$50 for an advanced main air circulating fan.
- Up to \$300 is available for air conditioners, air source heat pumps, water heaters (non-solar), and biomass stoves.
- There is a \$500 life-time limit. If you go over \$500 in these tax credits from 2006-2010, you are not eligible for anything more.
- Installation must occur after December 31, 2010 in an existing home and be a primary residence in the United States. New construction and rentals do not qualify.

Energy credits are also available for geothermal heat pumps, residential small wind turbines and solar energy systems. The tax credit is 30% of cost with no upper limit and expires December 31, 2016. This credit applies to existing homes and new construction. Both principal residences and second homes qualify. However, rentals are not eligible.

Additionally, energy credits are available for residential fuel cell and microturbine systems. The tax credit is 30% of the cost, up to \$500 per .5 kW of power capacity and also expires December 31, 2016. The credit applies to existing homes and new construction while rentals and second homes are not eligible.

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For more information on any of these credits and to determine how you may qualify, please contact me or your Kerkering, Barberio & Co. tax professional at 941-365-4617.