

# 45L energy efficient home tax credit



## Tax Credit For Energy Efficient Residential Buildings

The Energy Efficient Home Tax Credit, code Section 45L, has been made permanent. Each newly contractor built, energy efficient residential dwelling, purchased from the contractor and used as a residence over the last few years is eligible for the 45L Tax Credit of \$2,000.

## Properties That Qualify

Properties that may qualify for the credit are;

- Single family homes
- Multifamily properties, up to three stories
- Apartments, up to three stories
- Units within an apartment building or condominium,
- A house boat
- House Trailer

Also, the property can be either the principle place of residence or a vacation home.

Manufactured homes meeting the criteria may also benefit from a tax credit of \$1,000 to \$2,000.

## Qualifying Requirements

- The property must be located in the United States
- Be substantially completed after August 8, 2005, however, you can only go back to reclaim the credits during the 3 year statute of limitations for amending
- The residential dwelling must meet the energy savings requirements

Additionally, the property does not have to be new; it can be substantially reconstructed or rehabilitated.

## An Energy Efficient Property Is Defined As:

The residential dwelling must be certified, have a projected level of 50% reduction of energy usage in annual heating and cooling energy, than that of a property manufactured from the 2004 International Energy Conservation Code (IECC). Additionally, of the 50%, at least 1/5th is a result of building envelope improvements, for example: insulation, energy efficient windows and so on.

## How To Identify An Eligible Contractor?

Eligible contractors are those who constructed the energy efficient residential dwelling, and must both own and have a basis on the property during its construction. Additionally

eligible contractors could have hired a third party contractor to complete the work. Also, an eligible contractor may also be in the form of an individual, a trust, an estate, a partnership, an association, a company or corporation.

## Credit Usability

The credit has a one-year carry back term, but not prior to when the credit was allowed in 2006 and a 20-year carry forward.

## Tax Credits Add Up

As a quick calculation, the following demonstrates the tax credit available for the number of residences.

Per Residence	Credit Amount	Per Residence	Credit Amount
10	20,000	500	1,000,000
50	100,000	1000	2,000,000
100	200,000	1500	3,000,000

## Other Available Deductions And Credits

Depending on the location of the property State credits or deductions may be available. Also, other Federal incentives may apply to your property.

## How To Certify The Property

It is an IRS requirement that a credited eligible certifier skilled and approved to perform energy performance measures certify the property. ETS is that certified, energy star partner engineering firm, having performed thousands of certifications nationally. ETS will work with you all the way, to ensure that your property meets the requirements of the IRS and we will also assist you to identify other relevant tax benefits available. To ask about a feasibility study or other tax benefits available, call ETS today.

## About Engineered Tax Services

Engineered Tax Services is one of the only qualified professional engineering firms with its own licensed engineers, LEED Accredited Professionals, and experienced Certified Public Accountants on staff. We provide 45L certifications that are evaluated, modeled and signed-off by our licensed engineers. Once certification is complete, you will receive a certification package with all necessary documentation to sustain the tax credit in the case of IRS audit. Please contact us for more information.



Call us at 800.236.6519 or visit [www.engineeredtaxservices.com](http://www.engineeredtaxservices.com)

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