



The Comfortable Way To Cut Your Taxes!



Federal Stimulus Package FAQs

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

A tax credit applies directly against the taxpayers' liability. A tax deduction applies against a taxpayer's income, lowering the adjusted gross income & possibly moving the taxpayer to a lower tax bracket. Tax credits have a greater benefit to a taxpayer than a tax deduction.

Can a homeowner claim \$1500 in tax credits for improvements made in 2009, and then claim tax credits for more improvements made in 2010?

No, taxpayers are eligible for a total of \$1500 in tax credits for improvements made over the combined two year period.

Does the tax credit apply to the cost of the equipment or equipment plus labor?

The tax credit applies to the installed cost of the equipment that qualifies for the tax credit, which includes labor for that specific installation.

Can the homeowner use the \$1500 tax credit towards a single appliance installation?

Yes, since the per appliance caps have been removed by the new legislation, A homeowner may use the entire \$1500 in tax credits for installing a single Qualified appliance, such as a furnace, air conditioner, heat pump, etc. up to 30% of the installed cost of that one appliance.

What happens if the 30% of the installed cost is less than the \$1500 limit?

The homeowner can "bank" the remaining available tax credit for other qualified improvements. Any single installation that costs more than \$5000 will instantly reach the \$1500 limit.

(More Information On Reverse Side)



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Federal Stimulus Package FAQs Continued



Do “Energy Star” certified products meet the requirements for these tax credits?

Because there are different equipment definitions and product tiers used by the “Energy Star” program, not all products qualify. Please note that most “Energy Star” products do meet the criteria for these tax credits, but be sure to refer to the chart below.

Product	Minimum Requirements
Split-system Air Conditioner	16 SEER & 13 EER
Split-system Electric Heat Pump	15 SEER, 12.5 EER & 8.5 HSPF
Packaged Air Conditioner (including Gas/Electric)	14 SEER & 12 EER
Packaged Electric Heat Pump	14 SEER, 12 EER & 8 HSPF
Gas Furnace	95% AFUE

Can a homeowner claim for improvements to a second home, such as a vacation home?

No, the tax credit program is only available for improvements made to the Taxpayers primary residence or home, and may not be used for second or or vacation home.

Where can I find more information?

Below are several links that will give you more information about the tax stimulus package.

AHRI (Air Conditioning, Heating & Refrigeration Institute

<http://www.ahrinet.org/Pages/ShowMeMore.aspx?src=single&lpk=741/>

CEE (Consortium For Energy Efficiency)

<http://ceehvacdirectory.org/>

Energy Star

http://www.energystar.gov/index.cfm?c=products.pr_tax_credits#s9/

For More Information On How The Tax Credit Can Help You Increase Your Sales, Call Your Local Baker Distributing Company Today!

