

**From the desk of
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Energy Tax Credits

Energy-efficient home improvements can reduce your energy bills and help you save taxes.

Here are some key facts that you should know about home energy tax credits:

Residential Energy Efficient Property Credit

- The Residential Energy Efficient Property Credit is 30 percent of the cost of alternative energy equipment installed on or in your home.
- Qualified equipment includes solar hot water heaters, solar electric equipment, wind turbines and fuel cell property.
- Qualified wind turbine and fuel cell property must be placed into service by Dec. 31, 2016.
- Hot water heaters and solar electric equipment must be placed in to service by Dec. 31, 2021.
- The tax credit for qualified fuel cell property is limited to \$500 for each one-half kilowatt of capacity. The amount for other qualified expenditures does not have a limit. Should the credit be more than the tax you owe for the year you can carry forward the unused portion of the credit to following years • The home must be in the U.S. but does not have to be your primary home, unless the alternative energy equipment is qualified fuel cell property.

Non-Business Energy Property Credit

- A credit of up to 10 percent of the cost of certain qualified energy-saving items added to your primary residence is available insulation, windows, doors and roofs.
- In addition there is a credit for the actual cost of certain property certain items such as water heaters and heating and air conditioning systems. The credit amount for each type of property has a different dollar limit.
- This credit has a maximum lifetime limit of \$500 although the credit is only \$200 of for windows.
- Your main home must be located in the U.S. to qualify for the credit.
- Be sure you have the written certification from the manufacturer that their product qualifies for this tax credit. They usually post it on their website or include it with the product's packaging. You can rely on it to claim the credit, but do not attach it to your return. Keep it with your tax records.

- You must place qualifying improvements in service in your principal residence by Dec. 31, 2016.

Our emphasis at Muffoletto & Company is to provide you the proper guidance and understanding of the system so that you avoid taxes to the extent that the law allows.

Should you have questions relating to these matters, tax, financial, and accounting issues, give us a call at (818) 346-2160.

You can also visit us on the web at www.petemcpa.com!

We here at Muffoletto & Company believe that the more informed you are in regards to the rules and regulations that affect you the more we can be of service. Should you have questions relating to any tax or financial matters, or if you know of someone that could benefit from our assistance feel free in calling us at (818) 346-2160, or you can visit us on the web at www.petemcpa.com!

Providing individuals, small businesses, corporations, partnerships, professionals, and other business entities with the necessary guidance and answers for a complex world.

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