



MEMORANDUM

To: All MODA Members

From: Jamie Py

April 8, 2009

Subject: Federal Stimulus tax credits update

Federal Stimulus

The federal stimulus bill contained a broad expansion of the energy efficiency tax credit that had expired in 2007 and also a substantial increase in the tax credit. Essentially, the credit is now for 30 percent of the cost, up to a limit of \$1,500 for some oilheat equipment. This \$1,500 limit is for all energy efficient improvements including storm doors, insulation, windows etc. So essentially, the first company offering the credit from competing industries may be able to gain the advantage of the credit. The attached website contains a good chart http://www.energystar.gov/index.cfm?c=products.pr_tax_credits#c3 summarizing the credits.

IRS Form 5695 is typically used for these tax credits, and the instructions are included on the attachment. However the form will need to be revised to accommodate the credits and the changed credit level. You should note that the taxpayer/homeowner should have a manufacturer certification in his records to validate the efficiency level and whether the tax credit is correct. The requirements of the form from the previous law is attached, most likely this will be required by the new law. The relevant manufacturers have been contacted regarding this certification requirement.

Boilers that Qualify

Currently, we appear to have four potential boilers that qualify. However, each of them needs to produce a manufacturer certification.
Peerless Pinnacle
Monitor FCX Oil Boiler
Buderus GB125BE-22
Burnham Opus - May be discontinued.

Furnaces that Qualify

Adam Spartan Unit
Thermopride has a combination Air Conditioner/Furnace, the Oilpak, which may qualify as an air-conditioner since at lower tons, it appears to meet the SEER requirement.

Water Heater

None

Advanced Main Air Circulating Fan

If the electricity used by the Furnace is less than 2 percent of the energy, the fan may qualify. Many branded furnaces appear to meet this requirement. A list of furnaces is attached.

[http://www.gamanet.org/gama/inforesources.nsf/vAttachmentLaunch/1B8EFBD3CFADE394852575010073243B/\\$FILE/09-30-oil-rfr.pdf](http://www.gamanet.org/gama/inforesources.nsf/vAttachmentLaunch/1B8EFBD3CFADE394852575010073243B/$FILE/09-30-oil-rfr.pdf)

There is no clear explanation of how much of the unit will be subject to the credit. If the furnace manufacturer certifies the equipment and provides an explanation of the cost of the fan in the unit, that should be sufficient.

Industry Issues

These credits are also available for air conditioning units. Companies may want to explore whether in selling a home comfort system of air conditioning and a boiler or furnace, whether the tax credit can be used.

Maine?

This is what we know so far. Maine is currently proposing its plan for use of the Maine stimulus money. Some of that money may be used for weatherization and/or equipment upgrades. We are working with the PUC and MSHA on these issues. We will let you when those proposals are ready for public comment.