



Understanding The American Recovery and Reinvestment Act of 2009

And Impact on the Energy
Policy Act of 2005



Disclaimer

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Energy Policy Act of 2005 and American Recovery and Reinvestment Tax Act of 2009

Energy Policy Act 2005

- Tax credits for highly efficient new homes
- Tax credits for improvements to existing homes
- Tax deductions for highly efficient commercial buildings

American Recovery and Reinvestment Tax Act of 2009 (ARRA)

- On February 17, President Obama signed into law the American Recovery and Reinvestment Tax Act of 2009 (ARRA).

American Recovery and Reinvestment Act of 2009 (ARRA) makes significant changes to energy efficiency tax credits for existing homes and extends tax benefits for businesses.....



What is the Difference?

Tax Credit

- Tax Credit reduces the amount of tax owed
- More economically powerful than deductions
- \$1500 credit means \$1500 savings

Tax Deduction

- Tax Deduction reduces taxable income
- Value of deduction dependent on taxpayer's tax bracket
- \$1500 deduction means approximately \$450 savings (using 30% tax bracket)



American Recovery and Reinvestment Tax Act of 2009

Tax Credits for Consumers

ARRA extends, expands, and simplifies the federal income tax credits originally established in the Energy Policy Act of 2005 for homeowners who make energy efficiency home improvements

- **Extends benefits through 2010**
- **Triples total available tax credit from \$500 to \$1,500**
- **Increases tax credit to 30% of the cost of each qualified energy efficiency improvement**
- **No cap for window upgrades**
 - » Previously capped at \$200
 - » Now subject to \$1500 maximum limit described above
- **Removes cap on geothermal heat pumps and solar water heaters through 2016**

These tax credits are available for home improvements “placed in service” from January 1, 2009 through December 31, 2010





Tax Credits for Consumers

Federal Tax Credits for Energy Efficiency* includes:

For existing homes only

Tax credits are available at 30% of the cost, up to \$1,500, in 2009 & 2010 for:

- **Windows and Doors**
- **Insulation**
- **Roofs (Metal and Asphalt)**
- **HVAC**
- **Water Heaters (non-solar)**
- **Biomass Stoves**

For existing homes and new construction

Tax credits are available at 30% of the cost, with no upper limit through 2016 for:

- **Geothermal Heat Pumps**
- **Solar Panels**
- **Solar Water Heaters**
- **Small Wind Energy Systems**
- **Fuel Cells**

* Energy Efficiency criteria will vary dependant for each product category, so refer to <http://www.energystar.gov> or the product manufacturer to assure that the product meets the specified criteria





Energy Tax Credits for Tyvek® Systems

Contractor/Installer must:

- Install DuPont™ Tyvek® as an air barrier per DuPont installation guidelines; and
- Install DuPont™ Tyvek® in a properly designed wall system

Taxpayer must:

- Retain the Manufacturer's Certification Statement;
- Retain receipts from the contractor/installer detailing the qualifying costs; and
- Submit Form 5695 (2009 version) with taxes





American Recovery and Reinvestment Tax Act of 2009

Tax Benefits Available for Business

Tax Benefits originally established in the Energy Policy Act of 2005 for home builders and commercial building owners or designers are still applicable:

- Tax credits for highly efficient new homes
- Tax deductions for highly efficient commercial buildings



Tax Credits for Home Builders

- \$2,000 tax credit for a new energy efficient home that achieves 50% energy savings for heating and cooling over the 2004 International Energy Conservation Code (IECC) and supplements
 - ☑ **At least 1/5 of the energy savings must come from building envelope improvements**
- \$1,000 tax credit to the producer of a new manufactured home achieving 30% energy savings for heating and cooling over the 2004 IECC and supplements
 - ☑ **At least 1/3 of the savings must come from building envelope improvements**

These tax credits apply to new homes located in the United States whose construction is substantially completed after August 8, 2005 and that are acquired from the eligible contractor for use as a residence from January 1, 2006 through December 31, 2009





Tax Deductions for Commercial Buildings for Owners or Designers

- \$1.80 per square foot for new or existing commercial buildings that save at least 50% of the heating and cooling energy of a building that meets ASHRAE Standard 90.1-2001
- Partial deductions of up to \$.60 per square foot can be taken for measures affecting any one of three building systems
 - ☑ **the building envelope, lighting, or heating and cooling systems**

These tax deductions are available for systems “placed in service” from January 1, 2006 through December 31, 2013





Energy Tax Credits & Deductions

Information on tax credits for homeowners (including forms) can be found at the Department of Energy website:

http://www.energystar.gov/index.cfm?c=products.pr_tax_credits#c2

Information on tax credits for Home Builders (including forms) can be found at the Department of Energy website:

http://www.energystar.gov/index.cfm?c=products.pr_tax_credits#s6

Information on tax deductions for Commercial Buildings (including forms) can be found at the Department of Energy website:

http://www.energystar.gov/index.cfm?c=products.pr_tax_credits#s8



Tax Credit Eligibility- DuPont Building Envelope Components



DuPont™ Tyvek® Weatherization System

- Tyvek® AtticWrap™
- Tyvek® CommercialWrap®
- Tyvek® CommercialWrap® D
- Tyvek® DrainWrap™
- Tyvek® HomeWrap®
- Tyvek® StuccoWrap®
- Tyvek® Tape
- Tyvek® ThermaWrap™

DuPont™ certifies that these products are "Eligible Building Envelope Components" that qualify for the Federal Tax Credit under Section 25C of the Energy Policy Act of 2005 that was extended through the end of 2010 and modified as part of The American Recovery and Reinvestment Act of 2009.

Copy of Certificate Available At:
www.tyvekweatherization.com

DuPont Residential Sealant
DuPont Commercial Sealant

