



COMMERCIAL & RESIDENTIAL HEATING, COOLING, PLUMBING & ELECTRIC

The American Recovery and Reinvestment Act of 2009

On February 17, 2009, President Obama signed a stimulus bill that included HVAC tax credit incentives. Congress set the maximum tax credit amount at \$1500 to help stimulate energy conservation through the installation of high efficiency heating and cooling systems. We have included a summary of the bill as it applies to residential HVAC equipment:

- Split system air conditioning efficiency requirements – 16 SEER/13 EER (both efficiency levels must be met to qualify for the tax credit).
- Split system heat pump efficiency requirements – 15 SEER/12.5 EER/8.5 HSPF (all three efficiency levels must be met to qualify for the tax credit).
- Gas furnace qualifying levels – 95% AFUE.
- Packaged A/C, H/P, or dual fuel products – 14 SEER, 12 EER, 8 HSPF.
- Maximum tax credit amount - \$1500. The legislation specifies 30% of the cost of qualifying equipment, including installation costs, subject to a \$1500 maximum per homeowner.
- The tax credit is effective for all qualified systems installed from 1/1/2009 through 12/31/2010.
- The tax credit is only valid for a home that is owned by the taxpayer and used as the principle residence.

The legislation that passed was for a tax credit equal to 30% of the total cost up to a maximum of \$1500; however, the IRS is responsible for the actual implementation of the legislation. **We won't know exactly how this tax credit will be applied until the IRS releases its final ruling.** Until we know the IRS ruling, we encourage everyone to educate themselves about the tax credit and what systems and products qualify. As soon as the IRS releases its ruling, Midlothian Mechanical will update this site with the tax credit amounts, the documentation homeowners will need, and how you can get this documentation.