

# In Perspective

**McQuade.Brennan.LLP.**

Certified Public Accountants and Consultants

*Uniquely built to exceed your expectations*

[Home](#) [Our Firm](#) [Tax Forms](#) [Tax Calendar](#) [Contact Us](#) [Brian's Blog](#)

[Energy Efficient Improvements](#)

## Energy Efficient Tax Credits

When considering making energy efficient improvements to your home or lifestyle consider these tax credits:

### 1. Residential Energy Efficient Property Credits

Homeowners who make qualified energy efficient improvements to their existing homes are eligible for a tax credit up to 30 percent of the cost of all qualifying improvements. The maximum credit is \$1,500 for improvements placed in service in 2009 and 2010 combined. The credit applies to improvements such as adding insulation, energy efficient exterior windows and energy-efficient heating and air conditioning systems.

This tax credit also applies to qualified residential alternative energy equipment, such as solar hot water heaters, solar electricity equipment, wind turbines and geothermal heat pumps installed on or in connection with their home located in the United States. The credit is available through 2016.

### 2. Plug-in Electric Vehicle Credit

ARRA modifies this credit for qualified plug-in electric vehicles purchased after December 31, 2009. The minimum amount of the credit for qualified plug-in electric vehicles is \$2,500 and the credit phases out at \$7,500, depending on the battery capacity. ARRA phases out the credit for each manufacturer after they sell 200,000 vehicles. This credit is available through 2014.

### 3. Additional Plug-In Electric Vehicle Credit

This is an additional tax credit for two types of plug-in vehicles - certain low-speed electric vehicles and two- or three-wheeled vehicles. The amount of the credit is 10 percent of the cost of the vehicle, up to a maximum credit of \$2,500 for purchases made after Feb. 17, 2009 and before Jan. 1, 2012.

### 4. Conversion Kits for Electric Vehicles Credit

This credit is equal to 10 percent of the cost of converting a vehicle to a qualified plug-in electric drive motor vehicle that is placed in service after Feb. 17, 2009. The maximum credit is \$4,000 and is available through 2011.

### 5. Treatment of Alternative Motor Vehicle Credit

Starting in 2009, ARRA allows the Alternative Motor Vehicle Credit, including the tax credit for purchasing hybrid vehicles, to be applied against the Alternative Minimum Tax. Prior to the new law, the Alternative Motor Vehicle Credit could not be used to offset the AMT. This means the credit could not be taken if a taxpayer owed AMT or was reduced for some taxpayers who did not owe AMT.

Personal Info  
Saved Articles  
Calculators  
Unsubscribe from Email  
Comments & Feedback  
  
Your Privacy

© 2011, Powered by BizActions  
Patent Pending

Contact a **McQuadeBrennan professional** today with your personal questions regarding energy efficient tax credits.

 Email to a Friend  Save Article  [www.mcquadebrennan.com](http://www.mcquadebrennan.com)  Share This

### Your Comments

Is this item worthy of implementation?      Yes       No       Maybe

Is this item worth sharing with other associates?      Yes       No       Maybe

Did this item present value to you and your business?      Yes       No       Maybe

Comments:

▲

▼