

Call, Act, Save: PSC Energy Conservation Awareness: *How Conservation Can Reduce Your Federal Tax Liability*

A bill signed into law by President Bush in early October 2008 extends many of the federal income tax credits first enacted in 2005, and expired in 2007, or were set to expire at the end of 2008. For more detailed information, click on the Internal Revenue Service page at: <http://www.irs.gov/index.html> or the Tax Incentives Assistance Project web site at <http://www.energytaxincentives.org>.



The **residential solar investment tax credit** has been extended to 2016 and the \$2000 credit cap has been removed for all solar electric property placed in service after December 31, 2008. Federal taxpayers can use this credit to offset alternative minimum tax (AMT) liability and unused credits can be carried forward to the next tax year.

The **tax credit for the installment of energy efficient items in your existing residence** such as furnaces, boilers, air conditioners, water heaters, insulation, and window upgrades has been extended to cover improvements installed in 2009. This credit is not available for 2008 installments however. In addition, a new **10% investment tax credit for combined heat and power systems** is now available through 2016.



The **energy efficient home tax credit for new homes** has been extended to December 31, 2009.