

ENERGY POLICY ACT OF 2005 IMPACT FOR HOMEOWNERS



TAX CREDITS FOR HOMEOWNERS

Sec 1333 Existing Homes: This provision offers homeowners a tax credit of 10%* for qualified energy efficiency improvements for up to a maximum lifetime cap of \$500 for money they spend on energy improvements in their homes. No more than \$200 of the credit can come from the purchase and installation of windows, but all of it can come from insulation. Also, for any given year, no more than \$50 can come from the purchase of an advanced main air-circulating fan, no more than \$150 from the purchase of a furnace or boiler, and no more than \$300 from any item of an energy-efficient building property (qualifying heating and cooling equipment).

To be eligible for the tax credit, these improvements must be made between January 1, 2006, and December 31, 2007. Homeowners will receive their credit in the tax form filed by April 15 of 2007 or 2008.

Maximum credits have been established for the following qualified products:

- Insulation: \$500
- Windows: \$200
- Hot Water Heaters: \$150
- Air Circulating Fan: \$50
- Furnace: \$150
- Heat Pump: \$300
- Central Air Conditioner: \$300
- Other Equipment Item: \$300

The final criteria for which products and improvements are eligible for the tax credit will be set by the DOE (U.S. Department of Energy), EPA and Treasury. While Owens Corning knows for certain that PINK FIBERGLAS® and PINK Extruded Polystyrene Rigid Insulation are eligible, we are, through third-party affiliation, working in concert with government agencies to bring you the answers on other product eligibility as soon as possible. For more information on qualifying products, please contact your tax advisor.

These new tax credits will enhance retailers' ability to help customers create more energy-efficient homes. Retailers can take great pride in the fact that their energy-saving products make the world a better place.

IMPORTANT WEB LINKS

You will find the entire 1,724-page Energy Policy Act of 2005 online at www.senate.gov. Select "Legislation and Records" and then "Active Legislation." Scroll to "Energy bill" and select "H.R.6." Select "Text of Legislation" and then #6, which is the final bill as signed into law.

For more information, homeowners can visit the DOE at www.energy.gov; Energy Star® at www.energystar.com; and Alliance to Save Energy at www.ase.org.

*While we have made great effort to describe these tax incentives accurately, we cannot provide tax advice and suggest you contact a tax professional with any questions specific to your situation.

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