

American Recovery and Reinvestment Act of 2009

February 17th, 2009

PART III--ENERGY CONSERVATION INCENTIVES

SEC. 1121. EXTENSION AND MODIFICATION OF CREDIT FOR NONBUSINESS ENERGY PROPERTY.

(a) In General- Section 25C is amended by striking subsections (a) and (b) and inserting the following new subsections:

(a) Allowance of Credit- In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 30 percent of the sum of--

(1) the amount paid or incurred by the taxpayer during such taxable year for qualified energy efficiency improvements, and

(2) the amount of the residential energy property expenditures paid or incurred by the taxpayer during such taxable year.

(b) Limitation- The aggregate amount of the credits allowed under this section for taxable years beginning in 2009 and 2010 with respect to any taxpayer shall not exceed \$1,500.

(b) Modifications of Standards for Energy-Efficient Building Property-

(1) ELECTRIC HEAT PUMPS- Subparagraph (B) of section 25C(d)(3) is amended to read as follows:

(B) an electric heat pump which achieves the highest efficiency tier established by the Consortium for Energy Efficiency, as in effect on January 1, 2009.

(2) CENTRAL AIR CONDITIONERS- Subparagraph (C) of section 25C(d)(3) is amended by striking '2006' and inserting '2009'.

(3) WATER HEATERS- Subparagraph (D) of section 25C(d)(3) is amended to read as follows:

(D) a natural gas, propane, or oil water heater which has either an energy factor of at least 0.82 or a thermal efficiency of at least 90 percent.

(4) WOOD STOVES- Subparagraph (E) of section 25C(d)(3) is amended by inserting ', as measured using a lower heating value' after '75 percent'.

(c) Modifications of Standards for Oil Furnaces and Hot Water Boilers-

(1) IN GENERAL- Paragraph (4) of section 25C(d) is amended to read as follows:

(4) QUALIFIED NATURAL GAS, PROPANE, AND OIL FURNACES AND HOT WATER BOILERS-

(A) QUALIFIED NATURAL GAS FURNACE- The term 'qualified natural gas furnace' means any natural gas furnace which achieves an annual fuel utilization efficiency rate of not less than 95.

(B) QUALIFIED NATURAL GAS HOT WATER BOILER- The term 'qualified natural gas hot water boiler' means any natural gas hot water boiler which achieves an annual fuel utilization efficiency rate of not less than 90.

(C) QUALIFIED PROPANE FURNACE- The term 'qualified propane furnace' means any propane furnace which achieves an annual fuel utilization efficiency rate of not less than 95.

(D) QUALIFIED PROPANE HOT WATER BOILER- The term 'qualified propane hot water boiler' means any propane hot water boiler which achieves an annual fuel utilization efficiency rate of not less than 90.

(E) QUALIFIED OIL FURNACES- The term 'qualified oil furnace' means any oil furnace which achieves an annual fuel utilization efficiency rate of not less than 90.

(F) QUALIFIED OIL HOT WATER BOILER- The term 'qualified oil hot water boiler' means any oil hot water boiler which achieves an annual fuel utilization efficiency rate of not less than 90.

(2) CONFORMING AMENDMENT- Clause (ii) of section 25C(d)(2)(A) is amended to read as follows:

(ii) any qualified natural gas furnace, qualified propane furnace, qualified oil furnace, qualified natural gas hot water boiler, qualified propane hot water boiler, or qualified oil hot water boiler, or.

(d) Modifications of Standards for Qualified Energy Efficiency Improvements-

(1) QUALIFICATIONS FOR EXTERIOR WINDOWS, DOORS, AND SKYLIGHTS- Subsection (c) of section 25C is amended by adding at the end the following new paragraph:

(4) QUALIFICATIONS FOR EXTERIOR WINDOWS, DOORS, AND SKYLIGHTS- Such term shall not include any component described in subparagraph (B) or (C) of paragraph (2) unless such component is equal to or below a U factor of 0.30 and SHGC of 0.30.

(2) ADDITIONAL QUALIFICATION FOR INSULATION- Subparagraph (A) of section 25C(c)(2) is amended by inserting 'and meets the prescriptive criteria for such material or system established by the 2009 International Energy Conservation Code, as such Code (including supplements) is in effect on the date of the enactment of the American Recovery and Reinvestment Tax Act of 2009' after 'such dwelling unit'.

(e) Extension- Section 25C(g)(2) is amended by striking 'December 31, 2009' and inserting 'December 31, 2010'.

(f) Effective Dates-

(1) IN GENERAL- Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2008.

(2) EFFICIENCY STANDARDS- The amendments made by paragraphs (1), (2), and (3) of subsection (b) and subsections (c) and (d) shall apply to property placed in service after the date of the enactment of this Act.