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## Make those repairs now

### Tax credits for energy-efficient improvements expire Dec. 31

By AARON NATHANS

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The government is about to get a lot less generous when it comes to helping homeowners save energy.

On Dec. 31, federal tax credits expire for purchases of insulation and energy-efficient roofs, water heaters, windows, doors, HVAC systems and biomass stoves.

Amid a sluggish housing market, instead of selling their homes, many people are staying where they are and fixing up their existing homes, said Rick Stover, president of P.J. Fitzpatrick Inc., based in New Castle. The tax credit has been a good motivator for people to follow through with those projects, Stover said.

But "if you're thinking about doing a project, you should think about doing it now," Stover said.

Don't let the Dec. 31 date confuse you. That's the date by which the equipment needs to be installed, several merchants said. It can take several weeks to get the projects ready, and there's bound to be a lot of projects coming in during the last few weeks, they said.

The program offers a tax credit of 30 percent of the cost of the project, up to \$1,500.

Chris Cardillo, co-owner of Castle Windows based in Mount Laurel, N.J., said business has been brisk since the credit went into effect last year. At the end of 2009, people hurried to get the credit so they could write it off on that year's taxes.

But with the end of the credit looming, "the amount of calls we are generating is just unreal," Cardillo said, noting he was expecting October to be the company's best month on record. He says his company does plenty of business in Delaware.

In order to qualify for the tax credit, the materials need to meet certain standards for energy efficiency. For instance, central air conditioners must meet the highest levels set by the Consortium for Energy Efficiency.

And the credits won't go toward any old window, although they can help you replace them. Older wooden windows tend to be drafty, and metal windows are "energy magnets," Cardillo said. Modern homes tend to be built with vinyl windows, which do not conduct electricity, he said.

Windows can also be made more energy-efficient with low-emissivity glass, and have a low-conductance gas like argon or krypton pumped in between the two panes of glass, to slow the movement of air, he said.

To qualify, windows must have a "U-factor" of 0.3 or higher. The U-factor measures how well a window, door or skylight keeps heat from getting out. Windows with lower numbers are more energy-efficient.

Storm windows, covered under the credit program, can also help make a home more snug.

There are two kinds of roof shingles that qualify for the credit, said Scott Devenny, owner of All American Roofing north of Wilmington. The more expensive of the two is "cool color shingles," which have reflective granules, he said. They will help a homeowner save 30-40 percent on cooling costs in the summertime, although there's some minor heat loss in the winter, he said.

Using white shingles instead of cool color shingles can save a homeowner about \$1,000 on a roofing project, and still provide much of the reflective, energy-efficient quality, he said.

The credits are also good for buying insulation to put behind new siding, Devenny said. "You do get a lot of heat loss through your walls," he said.

Small projects are more likely to be where tax credits make a project worthwhile, said Brian Yerger, president of the Wilmington alternative-energy consulting firm AERCA Advisors. For a giant \$15,000 roof job, a \$1,500 credit probably won't persuade the buyer, he said. But to replace one window, or a water heater, "you'd be crazy not to do it before the end of the year," Yerger said.

The credits are for existing homes and must be the buyer's principal residence. Even if you buy multiple products, such as windows and roofing, each home is entitled to only \$1,500 worth of tax credits between 2009 and 2010.

Yerger said it's unlikely the credit will be renewed for 2011. Large government expenditures are not playing well in Washington these days, he said. "If you put that into a political slogan, it's going to die before the ink dries," Yerger said.

When considering whether the credit is worthwhile, you may want to consider whether installation costs are included. In some cases, such as with HVAC systems, biomass stoves and water heaters, installation costs are eligible for the credit. But for windows, doors, roofing and insulation, they are not.

Some other tax credits under the program aren't expiring at year's end. The federal government will pay 30 percent, with no upper limit, of the cost of a residential heat pump, a small residential wind turbine, and solar-energy systems. Those credits expire at the end of 2016.

There's also a hydrogen fuel-cell tax credit program that expires in 2016.

Contact Aaron *Nathans* at 324-2786 or [anathans@delawareonline.com](mailto:anathans@delawareonline.com).