Tax Breaks for High Efficiency Air Conditioners and Heat Pumps

Courtney Richardson August 13, 2013



A Supreme Heating and Air discuss the renewed legislation that allows for a significant tax deduction.

Obama signed legislation that re-enacted previous legislation that had expired in 2011. This legislation extended tax credits to homeowners installing high efficiency air conditions, both split system and packaged, and heat pump systems, both air source and package, in effect until December 2013, known as the 25C Tax Credit.

Homeowners are now eligible for tax credits up to 10% of the costs for installing a high efficiency central air conditioner or heat pump, with a \$300 limit. There is also a lifetime cap of \$500.

These tax credits make 2013 a great time for Howard County air conditioning repairs and upgrading to a new air conditioning system to gain the tax credits.

There are several requirements that each high efficiency air conditioning system must meet. To be considered for these tax credits, a split system central air conditioner must meet or exceed 16 SEER and 13 EER and package system central air conditioners must meet or exceed 14 SEER and 12 EER.

Heat pumps are also eligible for tax credits. To qualify, they must meet certain requirements to be classified as high efficiency. First, air source heat pumps should meet, if not exceed, 15 SEER and 12.5 EER and 8.5 HSPF. Similarly, package heat pump systems should meet or exceed 14 SEER and 12 EER and 8 HSPF to become eligible for the tax credits.

When purchasing a system or searching for Howard County air conditioning repairs, be sure to keep these qualifications in mind, if receiving the tax credit is a goal. It would be a huge disappointment to purchase a new system, only to discover that it was not eligible for the tax credit.

With either system, the homeowner is eligible to receive up to 10% of the cost, up to \$300. There is a lifetime residential energy tax credit limit of \$500, which goes back to include credits received as early as January, 2005.

The 25C Tax Credit is set to expire December 31, 2013. With the hot summer season already underway, now is the perfect time to install a new system or get Columbia heat pump repairs. These high efficiency air conditioners and heat pumps make a great way to stay cool and save money – the \$300 potential credit is a great bonus!

To claim the tax credit, it is required to fill out an IRS Form 8908.

Contact:

Mike Gregory

A Supreme Heating and Air

152 Blades Ln. Glen Burnie, MD 21060

410-766-5525