

QUALIFYING AND RECEIVING THE FEDERAL RESIDENTIAL TAX CREDIT

- To receive the Federal Tax Credit of \$2000 a home must be certified to be 50% more efficient than the base case home defined in Section 404 of the 2004 Supplement to the 2003 IECC (or now Section 404 of the 2006 IECC.) Section 404 describes the modeling criteria for performance-based certification.
- Approved software, such as RemRate, is required for certification under the tax credit guidelines. **And NOW**, there is Federal Tax Credit Prescriptive Path for natural gas heated homes.
- The new IRS form 8908 has extended the tax credit to homes sold previous to 2009.

Below are the steps to securing the Federal Tax Credit:

1. Secure a Home Performance Specialist (HPS) or Building Performance Specialist (BPS) for your home(s) you wish to have certified. The HPS/BPS needs to be secured prior to building the home as their inspections and performance tests are required for tax credit certification.
2. The HPS/BPS reviews the plans for compliance with the Tax Credit standard. This will either be compliance with the appropriate Tax Credit Prescriptive Path or compliance using RemRate software. If the software is used, the HPS/BPS will analyze the home using the detailed RemRate analysis and send the building file to the State Certification Office for review. The HPS/BPS will inform the builder of any changes to the plans needed to comply with both ENERGY STAR Northwest and Federal Tax Credit requirements.
3. Build the home(s).
4. When the home is completed, the HPS/BPS will obtain an official Federal Tax Credit certification form from the SCO. The HPS/BPS then certifies that the home meets the Federal Tax Credit requirements by signing and dating this form. The HPS/BPS will deliver the completed form to the builder. The HPS will also do all testing and inspections necessary for both ENERGY STAR Northwest and the Federal Tax Credit.

NOTE: *You must have an official certification from an eligible provider (SCO) that has been properly executed by an HPS/BPS in good standing with the provider and with RESNET for your records. You do not have to file this certification with the return but it must be in your records!*

The SCO will charge your HPS/BPS for the certification service. Fees range from \$100 to \$125 when the builder builds to the Federal Tax Credit Prescriptive Path. A \$175 fee will be charged for homes qualified using RemRate.

5. The SCO will conduct Quality Assurance on the first Tax Credit home built by each builder, and will ensure that RESNET and NEEA rules for quality assurance are applied to subsequent Federal Tax Credit homes constructed by each builder. The builder and HPS/BPS will collaborate in the QA process.
6. Download and print IRS form 8908. Your accountant can do this for you. This is the form your accountant will file. See the NOTE in step 4 above.
7. Keep your certification forms in your tax files in case of an audit.