



Fall 2009 Newsletter

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Gallagher Remodeling recently completed a whole house renovation in a house built in the 1870's. Our clients were interested in the opportunity to selectively employ "green" options in materials and construction methods. As we explored alternatives, we incorporated the following items into the improvements. It is only a partial list of the range of possibilities, but it represents a real-life example of some of the ways that the ideas of conservation, efficiency and healthy indoor living are being

Greetings!

We are delighted to be sending you another newsletter. We hope that you and your family members are happy and healthy.

Thank you for reading our newsletter. Please call us at 617-489-1959 or email us at office@gallagherremodeling.com if we can help you with your home. Please visit our website at www.gallagherremodeling.com to see recent projects and find other company information.

Energy Saving Improvements - Save Resources and Lower Your Tax Bill

At Gallagher Remodeling, we are seeing project activity generated by the tax credit incentives in the American Recovery and Reinvestment Act (ARRA). Taxpayers who undertake qualified energy-saving home improvements this year, may see tax savings next year. We continue to receive a lot of questions about the program, so we hope that following information is helpful

ideas of conservation, efficiency and healthy indoor living are being implemented in remodeling projects.



Exterior Envelope

Installed fiber-cement siding, manufactured from fly ash (a by-product of burning coal). Composite trim made from recycled wood fiber and resins (will not absorb water or rot). Replaced all windows with high quality windows with insulating glass (low-e, with argon). Sealed building shell with sprayed-in-place icynene foam insulation.

Materials

Installed completely new hydro-air heating system with hot water supplied by boiler with 95% efficiency rating. Domestic hot water is provided by the high efficiency boiler in a super-insulated indirect-fired hot water tank. Cooling supplied by condensers with rated above 16 SEER. Installed conduit from attic to basement for future power supply lines from photovoltaic roof panels. Low-flush and dual flush toilets were installed to save water. Dishwasher, refrigerator and washing machine were Energy Star qualified. The washing machine has a steam-wash system for water and energy efficiency, exceeding Energy Star criteria by 39%. Kitchen cabinetry was built and sourced locally, using low-VOC materials. Forestry Stewardship Council certified material was used for baseboards and decking.

Construction

All demolition and construction debris was sent to a recycling facility. Existing wide plank pine floors were salvaged and refinished on two levels of the house. To save copper resources, Pex tubing was used for all water supply lines. At the end of the project, the client received a project notebook with all use and care information, warranty cards and pictures of all the walls and ceilings under construction for future reference.

hope that following information is helpful to you.

Tax Credits for Home Energy Efficiency Improvements Increase

Homeowners can get bigger tax credits for making energy efficiency improvements or installing alternative energy equipment. "These new, expanded credits encourage homeowners to make improvements that will make their homes more energy efficient," said IRS Commissioner Doug Shulman. "People can improve their homes and save money over the long run."

ARRA provides for a uniform credit of 30 percent of the cost of qualifying improvements up to \$1,500, such as adding insulation, energy-efficient exterior windows and energy-efficient heating and air conditioning systems. The new law replaces the old law combination available in 2007 of a 10 percent credit for certain property and a credit equal to cost up to a specified amount for other property. The new law also raised the limit on the amount that can be claimed for improvements placed in service during 2009 and 2010 to \$1,500, instead of the \$500 lifetime limit under the old law.

In addition, the new law has increased the energy efficiency standards for building insulation, exterior windows, doors, and skylights, certain central air conditioners, and natural gas, propane or oil water heaters placed in service after February 17, 2009. The new law also eliminates the cap on the 30 percent tax credit for alternative energy equipment, such as solar water heaters, geothermal heat pumps and small wind turbines, installed in a home. The cap generally has been eliminated for these improvements beginning in the 2009 tax year.

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Federal Tax Credits Questions and Answers

Q. What is the Federal Stimulus Tax Credit?

A. The Federal Stimulus Tax Credit is a group of enhancements that were made to the 2008 tax credits for energy-efficient home improvements made from January 1, 2009 through December 31, 2010 (through 2016 for renewable energy sources).

Q. What does this mean for you?

A. This means that you are eligible for a tax credit if you make qualified energy-efficiency improvements to your home.

Q. How much is the tax credit?

A. For most improvement, the tax credit is 30% of the cost, up to \$1,500.

Q. Does that include labor and material?

A. For improvements on the "Shell" of your home, (windows, doors, roofing and insulation), the tax credit covers the 30% of cost of materials. Improvements such as new HVAC systems, heat pumps and boilers will cover 30% of the total installed cost, both labor and materials.

Q. What about renewable energy sources?

A. Solar water heaters, solar panels and geothermal heat pumps are a 30% tax credit for labor and material cost with NO cap on the credit.

Q. What if I made improvements before 2009, will a tax credit apply?

A. Unfortunately no, the tax credit only

A. Unfortunately no, the tax credit only applies to energy improvement installed after January 1, 2009.

Q. When do the tax credits expire?

A. December 31, 2016 for renewable energy sources and December 31, 2010 for all other energy-efficiency improvements.

Q. Could this apply to my second property?

A. This is applicable to the tax payers Primary Residence only. Solar water heaters, solar panels, and geothermal heat pumps may apply to second homes or rentals.

Q. What about energy-efficient appliances?

A. Federal tax credits do not apply to small appliances. Local state and city credits may be available.

Q. Can I use the Federal tax credits in 2009 and 2010?

A. Yes, but the Federal tax credit has a lifetime cap of \$1,500 except for renewable energy sources. Therefore, once you reach the \$1,500 limit, you can no longer apply the credit.

The above information came from IRS.gov and from greenhomesamerica.com
