

ENERGY EFFICIENCY TAX CREDITS for HOMEOWNERS

Homeowners May Use the Tax Credit to Improve the Energy Efficiency of their Home with *NCFI High Performance Spray Foam Insulation!*

Dear Schumacher,

The American Recovery and Reinvestment Act (ARRA) of 2009, commonly referred to as the "Stimulus Package" has created a opportunity for homeowners to receive a tax credit of up to \$1500 to improve the energy efficiency of their home.

There are many ways to qualify for that credit: from installing more efficient appliances to using alternative sources of energy. Yet we know that increasing insulation and sealing the building envelope with NCFI High Performance Spray Foam Insulation will give the most benefit to the homeowner. InsulStar(R) and Sealite(TM) spray foam insulation and InsulStar(R) Plus spray foam adhesive make the home more secure and comfortable, while saving energy and money.

To assist you as an installer of NCFI High Performance Spray Foam Insulation products, we are providing this summary of the federal tax benefits that are available to homeowners.

The most important
green building product
you'll never see!



EnergyStar Summary
of Tax Credits



Summary of Home Energy Efficiency Section of ARRA 2009

Individuals who purchase and install specific energy-efficient home improvements, including insulation, to their primary residence are eligible for a tax credit of up to a lifetime total cap of \$1,500. This is not a deduction, but a credit, meaning that it is subtracted from the total amount of tax paid.

There are certain criteria and requirements that apply in order to qualify for and receive the credit:

- The product must be expected to last at least five years. A minimum two year warranty is sufficient to demonstrate this. Lifetime warranties are available for InsulStar and Sealite high performance insulation installed by NCFI GoldStar Certified Applicators
- The products must be installed in the homeowner's primary residence in the US. If the installation is in condo or co-op, the costs are to be apportioned to the individual owners.
- The credit is for 30% of the cost of the improvements. Thus, the credit applies to up to \$5,000 in total costs. For insulation, this is supposed to cover only the product costs, not the installation. However, since InsulStar and Sealite High Performance Insulation is produced when it is installed, and cannot be purchased by the homeowner separate for installation, the total cost of product and installation should apply.
- InsulStar Plus Spray foam adhesive, which provides certified wind uplift resistance in addition to high performance insulation, significantly reducing wind insurance costs in many states.
- The product must be placed in service (installed) between January 1, 2009, and December 31, 2010. However, the lifetime cap for the credit is \$1,500.
- If the InsulStar or Sealite insulation or InsulStar(R) Plus spray foam adhesive was installed between January 1 and February 17, 2009, the insulation must meet the requirements of the 2001 or 2004 International Energy Conservation Code (IECC). If the insulation was installed between February 18 and December 31, 2010, it must meet the 2009 IECC. The amount of insulation required by the IECC will vary by region. Consult the IECC, available for the [International Code Council](#) for the requirements in

your area.

- In order to claim the credit for the taxes, the homeowner will need to file [IRS Form 5695](#) with their 2009 tax return.
- The homeowner will need to keep the receipts for the improvements along with the [InsulStar Certification for Energy Tax Credit](#) or [Sealite Certification for Energy Tax Credit](#).
- A tax accountant or advisor may be consulted for more information regarding record keeping and filing for the credit.
- For more information, please contact your [NCFI Account Manager](#).

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