

TAX INSIGHT

Important Tax Date



Second quarter 2013 individual estimated tax payments are due Monday, June 17.

Energy Credit Available Again



The nonbusiness energy credit was set to expire at the end of 2011; however, when the *American Taxpayer Relief Act of 2012* became law, the tax credit was extended through December 31, 2013.

During the long winter, if you noticed your house could use improvements in the energy efficiency department; this just might be the summer to upgrade. There are tax credits available for 10% of cost, up to \$500, or a specific amount from \$50–\$300. The energy credit has a lifetime maximum of \$500, so if you took this credit in prior years, that needs to be factored into the overall \$500 maximum.

If your windows are drafty there is a \$200 credit available (or doors and skylights, \$500 credit) if you replace them with a qualifying product. However, installation costs cannot be factored into the credit.

Adding adequate insulation is one of the most cost-effective home improvements that you can do. Qualified insulation can result in a \$500 tax credit. Typical bulk insulation products can qualify, such as rolls, blow-in fibers and expanding spray. Products that reduce air leaks can also qualify, as long as they come with a Manufacturers Certification Statement.

If heating and cooling systems need to be replaced, there are several categories that qualify for the credit such as:

- An advanced main air-circulating fan which blows the air that your furnace heats up through the duct system, has a \$50 credit.
- Air source heat pumps and some central air conditioning units qualify for a \$300 credit.
- Gas, propane or oil hot water boiler heating units that use water circulated throughout the home in a system of baseboard heating units, radiators, and/or in-floor radiant tubing, have a \$150 credit.
- Natural gas, propane or oil furnaces that use the combustion of fuel and air to create heat qualify for a \$150 credit.

The Energy Star website (energystar.gov, keyword "tax credits") provides details and qualifications for the credit. Please note that not all Energy Star products qualify for a tax credit.

Did You Know?

The IRS sent out roughly 2.7 million math error notices relating to 2011 returns.

Quote Corner

This is too difficult for a mathematician.
It takes a philosopher.

~Albert Einstein