

AHLBECK & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

FINANCIAL & BUSINESS INFORMATION

1665 ELK BOULEVARD ■ DES PLAINES, ILLINOIS 60016-4776 ■ TEL: 847/824-4000 ■ WWW.AHLBECK.COM

A More Energy Efficient Home Can Save You Tax Dollars!

Energy-conscious purchases you make in 2006 and 2007 can result in tax benefits on your income tax return. The new law provides tax credits for making your principal residence (which must be in the U.S.) more energy efficient.

The law provides a 10% credit on the cost of buying qualified energy efficiency improvements including:

- Insulation materials to reduce heat gain/loss
- Exterior windows, including skylights (limited to \$200 of the credit)
- Exterior doors
- Metal roofs that meet certain energy requirements

Taxpayers may also receive a credit for 100% of the cost of certain residential energy expenses including:

- Qualified energy efficient central air conditioner, heat pump or water heater (limited to \$300/item)
- Qualified natural gas, propane or oil furnace or hot water boiler (limited to \$150/item)
- Advanced main air circulating fan (limited to \$50/fan)

These nonrefundable credits allow consumers to reduce their income tax liability dollar-for-dollar up to a lifetime amount of \$500. Keep in mind that certain limitations, as noted above, and technical energy requirements may apply.

Additionally, the new law allows a credit of 30% of the cost (up to a \$2,000 credit) of adding qualified solar panels, solar water heating equipment or a fuel cell power plant to a principal residence. This does not apply to equipment used to heat swimming pools or hot tubs.

If you have any questions, please contact a member of our firm for additional information.

Reminder: If you make estimated tax payments, the next estimate is due September 15!

Financial & Business Information is emailed periodically by Ahlbeck & Company. Since the information contained herein is of a general and summary nature, no final conclusion should be made without further review. For additional information, please contact a member of our firm.