Chapter 2: Qualified New Energy Efficient Home

A qualified new energy efficient home is a dwelling unit located in the United States, whose construction is substantially completed after August 8, 2005, and sold or leased to another person after 2005 but before 2017, for use as a residence. The home is also required to be certified and meet certain energy saving requirements. Construction includes substantial reconstruction and rehabilitation.

Chapter 3: Energy Saving Requirements

The amount of the credit is based on the extent to which each new energy efficient home meets the energy saving requirements discussed below.

50% energy efficient standard. The credit is $2,000 for a dwelling unit that is certified to have an annual level of heating and cooling energy consumption at least 50% below the annual level of heating and cooling energy consumption of a comparable dwelling unit and has building envelope component improvements that account for at least 1/5 of the 50% reduction in energy consumption. A manufactured home meeting the requirements described above and the Federal Manufactured Home Construction and Safety Standards (FMHCSS) requirements (see 24 C.F.R. part 3280) is also eligible for the $2,000 credit.

Comparable dwelling unit. A comparable dwelling unit:
- Is constructed in accordance with the standards of chapter 4 of the 2006 International Energy Conservation Code as such Code (including supplements) was in effect on January 1, 2006;
- Has air conditioners with a Seasonal Energy Efficiency Ratio (SEER) of 13, measured in accordance with 10 C.F.R. 430.23(m); and
- Has heat pumps with a SEER of 13 and a Heating Seasonal Performance Factor (HSPF) of 7.7, measured in accordance with 10 C.F.R. 430.23(m).

30% energy efficient standard. The credit is $1,000 for a manufactured home that doesn’t meet the 50% energy saving requirement but is certified to have an annual level of heating and cooling energy consumption at least 30% below the annual level of heating and cooling energy consumption of a comparable dwelling unit (discussed above) and:
- Meets FMHCSS requirements, and
- Has building envelope component improvements that account for at least 1/3 of the 30% reduction in energy consumption, or
- Meets the current requirements established by the Administrator of the Environmental Protection Agency under the Energy Star Labeled Homes program.

Heating and cooling energy and cost savings must be calculated using the procedures described in Residential...
Energy Services Network (RESNET) Publication 001-16, or an equivalent calculation procedure. You can access RESNET publications at [www.resnet.us/professional/standards/tax_credits](http://www.resnet.us/professional/standards/tax_credits).

**Certification**

An eligible contractor must obtain a certification that the dwelling unit meets the requirements of section 45L(c) from an eligible certifier before claiming the section 45L credit. The certification will be treated as satisfying the requirements of section 45L(c) if all the construction has been performed in a manner consistent with the design specifications provided to the eligible certifier and the certification contains all of the information required by section 3 of Notice 2008-35, available at [www.irs.gov/irb/2008-12_IRB/ar14.html](http://www.irs.gov/irb/2008-12_IRB/ar14.html), or, for manufactured homes, section 3 or section 4 of Notice 2008-36, available at [www.irs.gov/irb/2008-12_IRB/ar15.html](http://www.irs.gov/irb/2008-12_IRB/ar15.html).

**Specific Instructions**

**Line 1**

For each home that meets the 50% energy efficient standard, the allowable credit is $2,000.

Reduce the expenses incurred in the construction of each new home by the amount of the credit. Expenses taken into account for either the rehabilitation credit or energy credit part of the investment tax credit may not again be considered in determining the energy efficient home credit. See section 45L(f).

**Line 2**

For each manufactured home that meets the 30% energy efficient standard, the allowable credit is $1,000.

Reduce the expenses incurred in the construction of each new home by the amount of the credit. Expenses taken into account for either the rehabilitation credit or energy credit part of the investment tax credit may not again be considered in determining the energy efficient home credit. See section 45L(f).

**Line 3**

Enter total energy efficient home credits from:

- Schedule K-1 (Form 1065), Partner's Share of Income, Deductions, Credits, etc., box 15 (code P); and
- Schedule K-1 (Form 1120S), Shareholder's Share of Income, Deductions, Credits, etc., box 13 (code P).

Partnerships and S corporations must always report the above credits on line 3. All other filers figuring a separate credit on earlier lines must also report the above credits on line 3. All others not using earlier lines to figure a separate credit can report the above credits directly on Form 3800, Part III, line 1p.

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| Preparing and sending the form to the IRS | 14 min. |

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