

Name(s) as shown on return		Identifying number	
1a Enter the total number of qualified energy efficient homes meeting the 50% standard that were sold or leased to another person for use as a residence during the tax year (see instructions)	1a		
b Multiply line 1a by \$2,000		1b	
2a Enter the total number of qualified energy efficient manufactured homes meeting the 30% standard that were sold or leased to another person for use as a residence during the tax year (see instructions)	2a		
b Multiply line 2a by \$1,000		2b	
3 Energy efficient home credit from partnerships and S corporations		3	
4 Add lines 1b, 2b, and 3. Partnerships and S corporations, report this amount on Schedule K; all others, report this amount on Form 3800, line 1p		4	

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

What's New

- The energy efficient home credit was extended to cover homes substantially completed during 2009.
- Notices 2008-35 and 2008-36 were issued to clarify the definition of "eligible contractor" and provide additional guidance on the certification process. However, you can continue to rely on Notices 2006-27 and 2006-28 for certifications provided before March 1, 2008.

Purpose of Form

Eligible contractors use Form 8908 to claim a credit for each qualified energy efficient home sold or leased to another person during the tax year for use as a residence. The credit (\$2,000 or \$1,000) is based on the energy saving requirements of the home. The credit is part of the general business credit.

Taxpayers other than partnerships or S corporations, whose only source of this credit is from a pass-through entity, are not required to complete or file this form. Instead, they can report this credit directly on line 1p of Form 3800.

See section 45L for more information.

Who May Claim the Credit

Eligible contractors may claim the credit for new energy efficient homes that are substantially completed after August 8, 2005, and acquired by sale or lease by an individual from that contractor during the tax year for use as a residence.

Definitions

Eligible Contractor

An eligible contractor is the person that constructed a qualified energy efficient home (or produced a qualified energy efficient home that is a manufactured home). A person must own and have a basis in the qualified energy efficient home during its construction to qualify as an eligible contractor with respect to the home. For example, if the person that hires a third party contractor to construct the home owns and has the basis in the home during construction, the person that hires the third party contractor is the eligible contractor and the third party contractor is not an eligible contractor.

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 2010, 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.

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 2004 Supplement to the 2003 International Energy Conservation Code,
- 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 does not 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 either Residential Energy Services Network (RESNET) Publication 05-001, RESNET Publication 06-001, or an equivalent calculation procedure. You may access RESNET publications at <http://www.resnet.us/standards/taxcredits/procedures.pdf>.

Certification

An eligible contractor must obtain a certification that the dwelling unit meets the requirements of section 45L(c)(1) from an eligible certifier before claiming the section 45L credit. The certification will be treated as satisfying the requirements of section 45L(c)(1) 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, or, for manufactured homes, section 3 or section 4 of Notice 2008-36.

Specific Instructions

Note. If you only have a credit allocated to you from a partnership or S corporation, skip lines 1 and 2, and go to line 3.

Line 1

For each home substantially completed after August 8, 2005, and sold or leased during the tax year 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 or energy components 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 substantially completed after August 8, 2005, and sold or leased during the tax year 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 or energy components of the investment tax credit may not again be considered in determining the energy efficient home credit. See section 45L(f).

Line 3

Enter the amount of credit allocated to you as a shareholder or partner.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for individual taxpayers filing this form is approved under OMB control number 1545-0074 and is included in the estimates shown in the instructions for their individual income tax return. The estimated burden for all other taxpayers who file this form is shown below.

- Recordkeeping** 2 hr., 9 min.
- Learning about the law or the form** 12 min.
- Preparing and sending the form to the IRS** 14 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.