



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

OFFICE OF THE CHIEF COUNSEL

November 19, 2009

Number: **INFO 2009-0249**
Release Date: 12/31/2009

CC:PSI:B06
CONEX-148259-09

UIL: 25C.00-00

The Honorable Bill Nelson
United States Senator
Landmark Two
225 East Robinson Street, Suite 410
Orlando, Florida 32801

Dear Senator Nelson:

This letter responds to your inquiry dated October 22, 2009, on behalf of your constituent, . He asked about the credit for non-business energy property under section 25C of the Internal Revenue Code (the Code).

Homeowners can apply for a tax credit when they install qualified energy property in or on a dwelling unit that the taxpayer owns and uses as his or her principal residence at the time of the installation (section 25C of the Code). The American Recovery and Reinvestment Tax Act of 2009 (ARRTA) amended section 25C to provide that the credit is 30 percent of the qualified expenditures made in tax years beginning after December 31, 2008. The total amount of the section 25C credits allowed for tax years beginning in 2009 and 2010 for any taxpayer may not exceed \$1,500. However, the law does not allow a credit for property placed in service after December 31, 2010.

The law does not limit the number of taxpayers who can claim this credit, nor does it limit the total amount of credit available to all the taxpayers who qualify for the credit. Although, as mentioned above, the law limits the credit for any one taxpayer to \$1,500. For the 2009 tax year the alternative minimum tax does not limit the credit, but it will limit this credit for the 2010 tax year.

Taxpayers can claim the section 25C credit on IRS Form 5695 that they file with their income tax return. I have enclosed IRS Form 5695 for your reference.

I hope this information is helpful. Please contact me or _____ at _____ if we can assist you further with this matter.

Sincerely,

Charles B. Ramsey
Chief, Branch 6
(Passthroughs & Special Industries)