

Product Information Bulletin

PIB010-22heil

December 22, 2010

Breaking News!

Federal Tax Credit is BACK for 2011!

Efficiency Requirements Same as 2009/2010 (except boilers and oil furnaces)

BUT the Dollar Figures are Different

The "Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010" includes a one year extension - with revisions - to the federal tax credits on qualifying high-efficiency HVAC equipment.

- The efficiency requirements are the same as for the 2009/2010 program (except boilers and oil furnaces, where the minimum AFUE is now 95%).
- The dollar benefit to the homeowner (the tax credit dollars) reverts to the FIXED DOLLAR AMOUNTS that we had in the previous 2007 program. There is no longer a 30% calculation.
- The maximum amount an eligible homeowner may receive in tax credits for "residential energy property" purchased in 2011 will be reduced from \$1,500 to \$500. However, the total amount of credits a homeowner claimed for purchases between 2006 and 2010 is to be deducted from the \$500 cap. If a homeowner has already claimed credits of \$500 or more through this allowance, they will be unable to claim new credits for improvements made during 2011.

From a practical standpoint, this means:

- The lists of Heil split combinations, small package products, and furnaces identified on the 2009/2010 Manufacturer's Certificates are still the correct, complete lists that will be eligible in 2011. (Heil does not presently offer any qualifying boilers or any oil furnaces eligible under the 95% AFUE minimum.)
- The existing Manufacturer's Certificates are still correct and accurate for the 2011 tax credit. Website link titles will be updated to reflect "2009/2010/2011".
- Split system air conditioners and heat pumps that appear on the Manufacturer's Certificate are eligible for the full, fixed dollar amount identified for AC or HP without regard to the furnace in the combination.
- 95% gas furnaces that appear on the Manufacturer's Certificate are eligible for the full, fixed dollar amount identified for 95% gas furnaces without regard to the split AC or HP in the combination.

Many Heil split system air conditioners and heat pumps (when properly matched with certain indoor sections), gas furnaces, and small packaged products (SPP) are eligible for homeowner income tax credits if **installed between January 1, 2011 and December 31, 2011**. Provisions of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 provide for a tax credit if the central air conditioner (including gas/electric SPP), the central heat pump, or the furnace meet specific minimum efficiency requirements:

Product	Minimum Efficiency Requirement	Maximum Tax Credit Available
Split System Air Conditioner	16 SEER and 13 EER	\$300
Packaged Air Conditioner	14 SEER and 12 EER	\$300
Heat Pump (Split and SPP)	15 SEER and 12.5 EER and 8.5 HSPF	\$300
Packaged Heat Pump	14 SEER and 12 EER and 8 HSPF	\$300
Natural Gas or Propane Furnace	95% AFUE	\$150
Advanced Main Air Circulating Fan	Electricity use of no more than 2% of the total energy use of the furnace	\$50

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Manufacturer's Certification Statements for each product type continue to be available on the GoHeil website. The Manufacturer's Certification Statements identify all the products that are eligible for income tax credits, as listed in the Air-Conditioning, Heating, and Refrigeration Institute (AHRI) Directory of Certified Product Performance. **These are the only products that Heil will certify as eligible for the tax credit.** There are many Heil split system combinations, gas furnaces, and SPP products that perform at high efficiencies but do **not** qualify for the tax credit. **Check the Manufacturer's Certification Statements carefully before you sell product with the promise of a tax credit.**

Heil is not in a position to certify systems that use non-Heil components, such as third-party indoor sections.

Specific information on how to claim the Tax Credit should be obtained directly from the U.S. Internal Revenue Service. Manufacturer's Certification Statements should be provided to the homeowner for their records and to support their Tax Credit claims for these systems. Heil contractors should be instructed to circle or highlight the system installed in the home as a convenience to the homeowner.

Homeowners and contractors may also be directed to call the Consumer Relations department at (931) 270-4222 for a copy of the Manufacturer's Certifications.