



# \$2000/Unit

## 45L Builder Energy Efficient Home Federal Tax Credit

**You Have Questions??**

**DuctTesters Has Answers!**

*DuctTesters is not giving tax advice, please check with your accountant/CPA*

<b>What is the tax credit?</b>	45L Federal Tax Credit (45L FTC) tax form 8908 IRS Notice 2008-35 <a href="http://www.irs.gov/pub/irs-pdf/f8908.pdf">http://www.irs.gov/pub/irs-pdf/f8908.pdf</a> <a href="http://www.irs.gov/irb/2008-12_IRB/ar14.html">http://www.irs.gov/irb/2008-12_IRB/ar14.html</a>		
<b>Who can claim the tax credit?</b>	The builder/developer of the dwelling units: the "entity" that owns the structure when it was built and financed its construction qualifies for the credit. If this "entity" is owned by multiple investors, the credit is passed through to each investor.		
<b>Who is the 45L eligible certifier?</b>	The HERS rater is the <u>only</u> eligible certifier who can provide signed 45L FTC certificates to builders. Per IRS Notice 2008-36 ( <i>see link above</i> ), the HERS rater must provide a statement that field inspections of the dwelling unit performed by the eligible certifier have confirmed that all features of the home comply with design specifications.		
<b>What are the requirements?</b>	1) Units must be at least 50% above the 2006 Intl Energy Conservation Code (IECC). 2) Features verified by certified HERS rater (eligible certifier) 3) Units completed & sold (close of escrow) or leased/rented between 2012-2016		
<b>How much is the 45L FTC?</b>	<b>\$2,000 per dwelling unit</b> (per address, i.e. 123 main St #1A).		
<b>Is the 45L the same as the utility rebate program I am currently enrolled in (SCE, PG&amp;E, NV Energy, etc.)?</b>	No. The 45L is a federal tax credit not a utility rebate. You can receive both a utility rebate and the 45L tax credit for your projects. Projects enrolled in a utility rebate are likely to easily qualify for the 45L tax credit.		
<b>What types of projects qualify?</b>	Single-family dwellings and multi-family for sale, for lease/rent which are 3 stories or less above grade. ▶ <i>Note on MF: a first story garage or retail counts as 1 story. If the first story is a partially underground parking garage, the garage must be at least 51% underground to not count that as a story. Some of the garage wall can be all covered and other portion can be exposed. It is the weighted average that counts.</i>		
<b>Can I go back on 2012-2015 projects and get this tax credit?</b>	Yes, as tax filings can be amended up to 3 years from the date of the tax filing.		
<b>Does the 45L FTC carry forward?</b>	The unused credit can be carried forward up to 20 years.		
<b>If a project does not currently meet the 50% above 2006 IECC, can the project still qualify?</b>	Yes, as additional HERS inspections may be used to increase energy features. HERS inspections need to be performed & pass in advance of the 45L FTC certificate date. Contact Duct Testers for more details.		
<b>Do all units in a project need to qualify to get the tax credit?</b>	No. The 45L FTC is not like utility rebate programs which require the entire project to qualify, the tax credit is per dwelling unit (per address).		
<b>Do low income projects qualify for the 45L FTC?</b>	The issue is the unit's energy efficiency not the occupant. Multi-family structures that qualify for the low income housing credit can also qualify for the energy tax credit. Please note a qualifying entity cannot sell/transfer the 45L tax credit to another entity.		
<b>Can non-profit builders qualify for the 45L FTC?</b>	Non-profits are often partners in an entity that builds multi-family structures. Whereas non-profits do not pay taxes and therefore cannot use these credits, the other for-profit shareholder's & partners of the entity most certainly can.		
<b>Do retrofits qualify for the 45L FTC?</b>	Yes. Section 45L defines "new construction" as including "substantial rehabilitation."		
<b>What is the Duct Testers 45L process?</b>	1) <b>Contact Duct Tester to review your projects.</b> 2) Duct Testers will produce a EnergyPro v4.7 file for each qualifying plan and a completed 45L FTC Client Tax Credit Worksheet listing details of all qualifying lots. 3) Duct Testers will send client a 45L FTC lot summary report and individual signed certificates for each qualifying lot. 4) Builder submits tax form 8908 to the IRS to receive a \$2000 tax credit for each qualifying lot.		
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