

Tax Credit Options for Home Heating

Stimulus Bill Promotes Renewable Energy to Consumers

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Tax Credit Frequently Asked Questions

Arlington, VA – February 17, 2009: The 2009 Economic Stimulus legislation signed into law today by President Obama includes a 30% tax credit (up to \$1,500) for the purchase in 2009 and 2010 of a 75%-efficient biomass-burning stove as measured using a lower heating value. The tax credit provisions are extended improvements of the legislation that passed in October 2008. The major changes are an extension of the credit to 2010 and the increase on the credit from \$300 to 30% of the total cost.

While the new tax credit takes effect immediately, the Internal Revenue Service (IRS) has not issued the guidelines for determining what stoves meet the efficiency requirements to qualify for the credit or how a manufacturer will qualify their products. These guidelines are expected by April 30, 2009, however the credit applies to all qualifying stoves sold in 2009. Once the IRS guidelines are issued, wood and pellet stove manufacturers will test their stoves and will notify their retailers about their models that qualify.

The Hearth, Patio & Barbecue Association (HPBA), in conjunction with the Pellet Fuels Institute (PFI), worked to educate elected officials and their staffs on the benefits and energy efficiency of wood and pellet stoves. As the cost of heating oil and natural gas rise, this tax credit will help consumers save on energy costs.

“This stimulus legislation supports renewable energy and will help consumers control their winter heating costs,” said Jack Goldman, president of HPBA. “It is a great example of how the hearth industry can work in Washington and on a grassroots level and help pass good legislation. With the long-term rise in home heating prices, this tax credit will help alleviate some of the initial cost for those consumers wanting to purchase a 75%-efficient wood or pellet stove next year.”

The Hearth, Patio & Barbecue Association (HPBA), based in Arlington, VA, is the North American industry association for manufacturers, retailers, distributors, representatives, service firms and allied associates for all types of hearth, barbecue and patio appliances, fuels and accessories. For more information on HPBA and the tax credit developments, go to www.hpba.org.