

2009 Energy Efficiency Credits

Energy Efficiency Products Credits – House Bill 2 enacted by the 2008 General Assembly created a new section of KRS Chapter 141 to provide for a nonrefundable credit against the tax imposed under KRS 141.020 or KRS 141.040 and KRS 141.0401 (for tax years beginning after Dec. 31, 2008).

Individuals may receive a nonrefundable credit of 30 percent of installed costs (subject to limitations) for upgraded insulation, energy-efficient windows and storm doors, and qualified energy property when installed on a dwelling unit located in the Commonwealth that is owned and used by the taxpayer as the taxpayer's principal place of residence. Additional energy efficiency products credits may be allowed a taxpayer when certain qualified energy efficiency products are installed on property owned by the taxpayer, located in the Commonwealth, and used by the taxpayer as single-family or multifamily residential rental units or for commercial property.

If the credit cannot be taken in full in the year of installation, the tax credit may be carried forward one year. Please refer to Kentucky Form 5695-K and instructions for credit limitations and additional information on these credits.

Energy Star Home or Energy Star Manufactured Home Credit – House Bill 2 enacted by the 2008 General Assembly created a new section of Chapter 141 to provide for a nonrefundable credit against the tax imposed under KRS 141.040 and KRS 141.0401 (for tax years beginning after Dec. 31, 2008), if a taxpayer builds a new Energy Star home located in the Commonwealth for use as a principal place of residence, or sells a new Energy Star manufactured home to a buyer who uses that home as a principal place of residence in the Commonwealth. The tax credit shall equal: (a) \$800 if the taxpayer builds an Energy Star home; or (b) \$400 if the taxpayer sells an Energy Star manufactured home. The tax credits provided by this new section of KRS Chapter 141 shall apply in the tax year in which the taxpayer completes construction of the Energy Star home or sells an Energy Star manufactured home.