

What it means to you

On July 29, 2005, Congress passed the first comprehensive energy legislation in over a decade. This historic bill follows many of the principles outlined by President Bush to strengthen our nation's electrical infrastructure, reduce our dependence on foreign oil, increase conservation and expand the use of clean renewable energy.

While the bill will help address our long-term challenges, there are many provisions that will help American families save energy - and money too!

Following, is a list of some of the most popular points within the bill:

Energy Efficiency and Conservation Measures

In Your Home:

- Consumers can receive a credit of up to 30% of the cost, or up to \$2,000, for installing solar-powered hot-water systems used exclusively for purposes other than heating swimming pools and hot tubs.
- Consumers can receive tax credits up to \$500 on the amount they spend to upgrade thermostats, to caulk leaks, or to stop energy waste.
- Consumers can receive up to \$200 credit for installation of new exterior windows.
- Consumers can receive up to \$300 credit for purchases of a highly efficient central air conditioner, heat pump or water heater.
- Consumers can receive up to \$150 for installation of a highly efficient furnace or boiler.
- A new provision provides a 10% investment tax credit for expenditures with respect to improvements to building envelope.
 - Allows credits for purchases of advanced main air circulating fans, natural gas, propane, or oil furnaces or hot water boilers, and other qualified energy efficient property.
- Tax credits for contractors who build energy-efficient homes and manufacturers who make energy-efficient appliances could lower prices for consumers.

For Your Car:

- The energy bill extends an existing tax credit, for as much as \$4,000, for buyers of electric cars or those powered by rechargeable batteries.
- Starting in 2006, hybrid-car buyers and advanced lean-burn technology vehicles will be eligible for tax credits ranging from \$1,700-\$3,000; this credit is tied with two components: hybrids that save the most fuel compared with 2002 models, and the vehicle's estimated lifetime fuel savings.
- The amount of credit for the purchase of a fuel cell vehicle is determined by a base credit amount that depends up on the weight class of the vehicle and in the case of automobiles or light trucks, an additional credit amount that depends upon the rated fuel economy of the vehicle compared to a base fuel economy.

- For fuel-cell-powered vehicles weighing less than 8,500 pounds, for instance, the base credit will be \$8,000 - heavier vehicles will get bigger credits.
 - Credits are offered for cars and light trucks that are more fuel-efficient than 2002 models. (A tax credit gives the taxpayer a dollar-for-dollar reduction in his or her taxes.)
- A provision permits taxpayers to claim a 30% credit for the cost of installing clean-fuel vehicle refueling property to be used in a trade or business of the taxpayer or installed at the principal residence of the taxpayer.
 - Under the provision, clean fuels are considered any fuel at least 85% of the volume of which consists of ethanol, natural gas, compressed natural gas, liquefied petroleum gas, and hydrogen and any mixture of diesel fuel and biodiesel containing at least 20% biodiesel (Provision is effective for property placed in service 12/31/2005 and before 01/01/2010).

For more information on conserving energy in your home and in your car, visit [EnergySavers.gov](#), [EnergyStar.gov](#) and [Energy Saving Tips](#).