

Energy Credit Legislation
By Dave Edmonds, Galaxy Manufacturing

In 2001 the U.S. House of Representatives considered a bill (HR 2108) which would amend the Income Tax regulations to allow a tax credit for energy efficiency actions, which include a credit for energy improvements to existing homes. We have been advised that this bill has successfully negotiated the House, but is languishing in the Senate (S-596). This is a comprehensive piece of energy legislation addressing solar, wind power and fuel cell energy technologies in addition to the (commonplace) insulation, windows and other building envelope improvements.

The text of Senate Bill S-596, which can be found on the Internet by accessing www.senate.gov SEC 25B reads:

“In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 20 percent of the amount paid or incurred by the taxpayer for qualified energy efficiency improvements installed during such taxable year.”

Further the section:

Allows up to \$2,000.00 credit

Allows a carryforward of unused credits

What does this do for manufacturers and installers of windows and other energy conserving products? It provides an incentive for the consumer to act to upgrade energy insufficient components in their homes. As we are all aware, *windows* are a key focus of energy conservation efforts, usually the first corrective action to be addressed.

The inclusion of such a credit on the Income Tax Schedule signals the government’s recognition of the importance of renovations for energy efficiency, and speaks to their proactive attitude to accomplish such goals.

The impact of the September 11 events, the “War on Terrorism” actions, and the faltering of our economy have distracted the Senate from moving aggressively on domestic issues. If you feel that this tax credit program is worthy, and would increase your business activity, you may want to make your support known to your state’s U.S. Senators.

State:	Senator:	Office Building:
CT	Christopher Dodd Joseph Lieberman	Russell Hart
DE	Joseph Biden Jr. Thomas Carper	Russell Hart

MA	Edward Kennady John Kerry	Russell Russell
MD	Barbara Mikulski Paul Sarbanes	Hart Hart
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NJ	Robert Torricelli Jon Corzine	Dirksen Hart
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RI	Lincoln Chaffee Jack Reed	Russell Hart
VA	John Warner George Allen	Russell Russell
VT	Jim Jeffords Patrick Leahy	Russell Russell
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The address for the three senate office buildings listed above is:
Washington, DC 20510

The Web site www.senate.com contains email links to the office of each Senator as well.

This legislation could provide the impetus for another “spurt” in the residential replacement window industry.