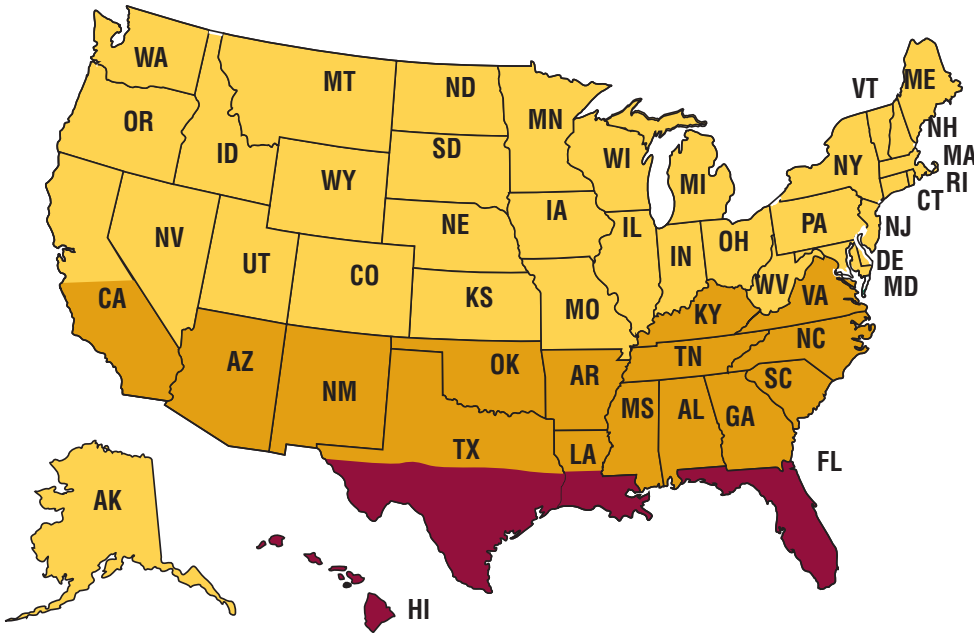


Federal Tax Credits Available for Adding Insulation to Existing Homes



Ceilings: R-49
Walls: R-21
Floors: R-30
Basement Wall: R-13

Ceilings: R-49
Walls: R-15
Floors: R-30
Basement: R-13

Ceilings: R-38
Walls: R-15
Floors: R-30
Basement Wall: R-13

What is the energy efficiency tax credit worth?

Homeowners are eligible for a tax credit of up to \$500 for 10% of the costs of qualified energy efficiency improvements made to their homes. So, if a homeowner spends \$800 to add proper levels of insulation to their home, they would qualify for a Federal tax credit of \$80.

Is there a specific time frame in which I need to make energy efficiency improvements in order to be eligible for the tax credit?

Consumers who want to take advantage of the energy bill tax breaks for their home must install the products between January 1, 2006 and Dec. 31, 2007.

How do I get a tax credit for insulation?

The tax credit for existing homes requires that the building envelope component being renovated must meet the energy efficiency minimum standards outlined in the 2004 International Energy Conservation Code. The envelope is defined as the area along the perimeter of the home that separates the living space from the outside. This includes attics, foundation walls, basements and crawl spaces. Insulation is a key component of the home or building envelope. Other qualified

envelope components include windows (only for a maximum credit of \$200), doors, skylights and air duct sealing. EPA's ENERGY STAR Home Sealing Program offers consumers advice on how to improve their building envelope. Adding insulation is one of the fastest and most effective ways to save energy in your home. Insulation and home sealing can save up to 20% on energy use according to the U.S. EPA. This is an investment that keeps paying off with better comfort and energy savings for as long as you own your home.

Do I still get the tax credit if I hire a professional contractor to add insulation?

Yes, however, it is our understanding that the tax credit is based on 10% of the cost of the energy efficiency product, not the installation. Make sure that the contractor gives you an itemized receipt that breaks out the cost of the insulation from the labor charge.

What paperwork will I need to produce at tax time in order to be eligible for the tax credit?

You will need to retain any retail or contractor receipts from the purchase of energy efficiency products made between Jan. 1, 2006 and Dec. 31, 2007.

Insulation Facts

How do I know how much insulation I already have?

If your home was built as few as 10 years ago, its insulation levels are likely far below today's recommendations for energy savings and comfort.

How much insulation do I need in my home to meet the levels required for the Tax Credit?

The 2004 IECC is a fairly complex set of guidelines that are designed to tell builders how much insulation to put in a home based on a number of factors. For simplicity, NAIMA has taken these levels of insulation and combined them with recommended levels of insulation from the US Department of Energy to make it easy for homeowners to maximize their comfort and qualify for the tax credit. See the map for state by state R-value recommendations. These levels should meet the criteria for the Federal Tax Credit. For most homeowners, this will mean adding between R-19 and R-30 insulation in their attic.

Which areas of my home should I insulate to be eligible for the tax credit?

The tax credit applies only to improvements made to the building envelope since they affect energy use. The envelope is defined as the area along the perimeter of the home that separates the living space from the outside. This includes attics, foundation walls, basements and crawl spaces.

Do you want to lower your energy usage without sacrificing comfort?

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For information on insulation basics, installation tips, federal, state & local energy efficiency financial incentives and more!

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