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**DEPARTMENT OF STATE REVENUE**  
**Information Bulletin #100**  
**Income Tax**  
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**DISCLAIMER:** Information Bulletins are intended to provide non-technical assistance to the general public. Every attempt is made to provide information that is consistent with the appropriate statutes, rules and court decisions. Any information that is inconsistent with the law, regulations and court decisions is not binding on either the Department or the taxpayer. Therefore, information provided in this bulletin should serve only as a foundation for further investigation and study of the current law and procedures related to the subject matter covered herein.

**SUBJECT:** Energy Star Heating and Cooling Equipment Tax Credit

**REFERENCE:** [IC 6-3.1-31.5](#)

## **INTRODUCTION**

Effective for taxable years beginning after December 31, 2008 through December 31, 2010 there is a tax credit for energy star heating and cooling equipment purchased by an individual or a small business which is independently owned with less than 100 employees and less than \$10,000,000 in annual gross receipts.

## **DEFINITIONS**

- A. "Energy star heating and cooling equipment" means heating and cooling equipment that is rated for energy efficiency under the federal energy star program and manufactured in the United States.
- B. "Energy star program" refers to the program established by Section 324A of the Federal Energy Policy and Conservation Act.
- C. "Heating and cooling equipment" means a furnace, water heater, central air conditioning, a room air conditioner, or a programmable thermostat.
- D. "Small business" means a business which is independently owned, is domiciled in Indiana, and has less than 100 employees and less than \$10,000,000 in gross receipts in a taxable year.
- E. "Taxpayer" means an individual, a married couple or a small business. Taxpayer includes a partnership, S corporation, limited liability company or a limited liability partnership.

## **ENTITLEMENT TO THE CREDIT**

A taxpayer is entitled to a credit for a taxable year equal to the lesser of 20% of the amount of the expenditures for energy star heating and cooling equipment or \$100. The amount of the credit may not exceed a taxpayer's state tax liability, and a taxpayer is not entitled to a carry back, carry forward or refund of any unused credit. A taxpayer may not sell, assign, convey or otherwise transfer the tax credit.

If the taxpayer is a pass through entity that does not have any state tax liability, the credit shall be allocated to the partners, shareholders or members of the pass through entity.

## **MAXIMUM CREDITS ALLOWED**

The total amount of tax credits allowed for all taxpayers in a fiscal year may not exceed \$1,000,000. The taxpayer must claim the credit on the taxpayer's annual tax return and submit proof that the taxpayer is entitled to the credit.

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John Eckart  
Commissioner

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