

THE 25C TAX CREDIT FOR BIOMASS APPLIANCES



The tax credit for residential energy efficient property was once a robust, market-moving incentive.

...to make their homes more energy efficient and reduce utility bills.

Tax payers spent

\$26 BILLION

in 2010 on remodeling costs associated with the tax credit¹

2010 Tax Credit

30% capped at \$1,500



Woodstove

Average price:
\$2,100
-630
\$1,470



Pellet Stove

Average price:
\$3,000
-900
\$2,100



Tax years 2009 through 2012



Almost all of the households which claimed the credit had an adjusted gross income under \$200K²

For middle class families, this tax credit helps reduce homeowners' energy use, lowering utility bills and improving their homes.

This translates into more

SALES



JOBS



HAPPY CUSTOMERS



Lifting UP small businesses



¹IRS Statistics of Income (SOI) Tax Stats - Individual Income Tax Returns, Line Item Estimates, 2010.

²IRS Statistics of Income (SOI) Tax Stats - Individual Statistical Tables by Size of Gross Adjusted Income. Table 3.3: All Returns: Tax Liability, Tax Credits, and Tax Payments. Years 2009, 2010, 2011, 2012.



How can Congress help?

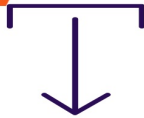
- ✓ Extend the 25C tax credit for biomass stoves purchased in 2015 and 2016.
- ✓ Remove from H.R. 2517 and S. 1946 language referring to "higher heating value" (HHV) and the "Canadian Standards Administration B415.1."

Why should language referring to HHV and B415.1 be removed?



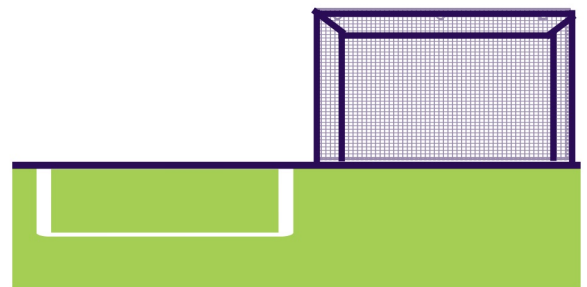
HHV has never been specified in law as the efficiency measure for this tax credit.

If HHV was included as the efficiency measure for this tax credit, **only 10%** of biomass stoves on the market today would qualify.



limits consumer choice & moves the goal posts on manufacturers

Option A Option B Option C



The testing protocol referenced in the legislative language, "Canadian Standard Administration B415.1" is meaningless because there is no such thing as the Canadian Standards Administration.



If there is a desire to substantially change this tax credit, it should be developed with industry input and should be more than a two year extension retroactive to the year prior for it to achieve its intended policy goal.