The tax credit dedicated to sustainable development (energy, renewables). *DGEC-SC*

Warning: The following document has been prepared to assist readers to better understand the **list of equipment** eligible for tax credit.

His reading is no substitute for reading section 90 Finance Act 2005, of Article 83 of the Finance Act 2006, of section 109 of the Finance Act 2009, of the Article 200 quarter of the General Tax Code, orders of February 9, 2005, of December 12, 2005 and November 13, 2007, instructions and tax 5B-26-05, 5B-17-06 and 5B-17-07.

The Finance Act 2005 has created a tax credit dedicated to sustainable development and energy conservation.

Designed to strengthen the incentive of the tax for the equipment of the main house, this is now focused on the most powerful equipment to energy as well as equipment using renewable energy.

This measure aims broad dissemination of sustainable energy equipment to help achieve the ambitious goals of France in terms of energy savings and renewable energy.

It is part of the strategy put in place to reduce by a factor of 4 our emissions of greenhouse gases emissions by 2050.

The Finance Act 2006 and the Finance Act 2009 have completed some measures initially.

The tax instruction No. 5 B-26-05 1 September 2005 has been supplemented by instruction No. 5 B-17-06 of May 18, 2006 and No 5 B-17-07's July 11, 2007.

What expenses are covered by this measure?

The tax credit for expenditure on the purchase of certain equipment provided by the companies that carried out the work and subject of a bill, under the conditions specified in Article 200 quarter of the General Tax Code.

This covers:

- heating equipment (condensing boilers)
- insulation materials
- control devices for heating
- equipment using renewable energies
- heat pumps other than air / air whose essential purpose is the production of heat
- equipment connecting to some networks of heat supplied by renewable energy or cogeneration plants.

The detailed lists of equipment included in the Orders of February 9, 2005 and from December 12, 2005. They have been modified by the decree of November 13, 2007 and Article 109 of the Finance Act 2009.

1) The acquisition of condensing boilers.

The definition of condensing boilers has the meaning of Directive 92/42/EEC of 21 May 1992 on efficiency requirements for new hot-water boilers fired with liquid or gaseous, published in the Official Community No. L 167/17 of June 22, 1992.

Condensing boilers, individual or collective, used for heating or hot water.

In condensing the water vapour from flue gas condensing boilers recover energy.
They are saving 15 to 25% compared to boilers modern standards.

For condensing boilers, the rate of tax credit is set at 25%.

That rate rose to 40% in the dual condition that these boilers are installed in a dwelling completed before 1.1.1977 and that their facilities are made not later than December 31 of the 2nd year following the acquisition housing.

The tax credit rate of 25% applies to expenditure incurred between 1 January 2005 and December 31, 2012. *For example, expenses paid in 2008 will be declared during the tax return for 2008. So in 2009 it will report these expenses.*

The tax credit rate of 40% applies to expenditure incurred between 1 January 2006 and December 31, 2012. *For example, expenses paid in 2008 will be declared during the tax return for 2008. So in 2009 it will report these expenses.*

Note: For low temperature boilers, the rate of tax credit was set at 15% until December 31, 2008. Article 109 of the Finance Act 2009 amended these provisions. Since 1 January 2009, these facilities are no longer eligible device tax credit.

2) The acquisition of Thermal Insulation Materials

Thermal insulation of opaque walls	**Features and performance**
Lower floors with basement, crawl on or crossing open Walls or gable facade	R R ≥2,8 m² °K/W
Roof terraces	R R ≥3 m² °K/W
Floor attic, crawling roofs, ceilings of attic	R R 5 m² °K/W

To choose an insulation product, it is important to know the thermal resistance R (ability of a material to slow the spread of the energy that comes through).

More R is the most important product is insulation.

Thermal insulation of glass walls	**Features and performance**
Windows or doors	Requirement to 01/01/2008: *PVC:* Uw ≤1,6 W/m² °K *Wood:* Uw ≤1,8 W/m² °K *Metal:* Uw ≤2 W/m² °K Requirements on 01/01/2009: *PVC:* Uw ≤1,4 W/m² °K *Wood:* Uw ≤1,6 W/m² °K *Metal:* Uw ≤1,8 W/m² °K
Reinforced insulation glazing (low emissivity glass)	Ug ≤1,5 W/m² °K
Insulated windows (new window on the bay) with double glazed reinforced	Ug ≤2 W/m² °K

The thermal performance of a glass wall depends on the nature of carpentry, glazing performance and quality of implementation of the window.

Shutters Insulation	**Features and performance**
Shutters Insulation characterized by an additional thermal resistance provided by all component-ventilated air space	R > 0,20 m² °K/W

The nature of closures (shutters, blinds) is also involved in reducing losses, especially at night.

Insulation	**Features and performance**
Insulation of all or part of a production facility or distribution of heat or hot water	R ≥ 1 m² °K/W

The thermal insulation of pipes will prevent energy losses during the distribution of hot water if the water points are far from the boiler or on the distribution of heat while running in unheated premises (garage cellar ...)

For all thermal insulation materials, the rate of tax credit is 25%.

That rate rose to 40% in the dual condition that such equipment is installed in a dwelling completed before 1.1.1977 and that their installation is completed no later than December 31 of the 2nd year following that of the acquisition of housing.

The tax credit rate of 25% applies to expenditure incurred between 1 January 2005 and December 31, 2012 *For example, expenses paid in 2008 will be declared during the tax return for 2008.*
So in 2009 it will report these expenses.

The tax credit rate of 40% applies to expenditure incurred between 1 January 2006 and December 31, 2012. *For example, expenses paid in 2008 will be declared during the tax return for 2008.*
So in 2009 it will report these expenses.

Since 1 January 2009, the installation of thermal insulation of opaque walls falls within the scope of the tax credit, a rate of 25%.

This rate may be increased to 40% in the dual condition that these materials are installed in a dwelling completed before 1.1.1977 and that their facilities are made not later than December 31 of the 2nd year following that of acquisition of housing.

3) The procurement of equipment for heating control and programming of heating

Devices installed in a house:

- Systems to control central heating systems by room thermostat or remote sensor, clock with timer programming or mono or multi-zone
- Systems for the regulation of individual terminal heat emitters (thermostatic valves)
- Systems limiting the power of electric heating power depending on outside temperature
- Systems managers of energy or power shedding of electric heating

Devices installed in an apartment building:

- Systems listed above for the individual house
- Materials required balancing of heating for a correct distribution of heat delivered to each dwelling
- Materials for the cascade of boilers, excluding the installation of new boilers
- Systems of remote boiler providing the regulatory functions and programming of heating
- Systems to the central control of production equipment for hot water in the case of combined water and hot water for heating
- Counters individual heat allocators and heating costs

For all these devices of heating regulation and programming of heating, the rate of tax credit is 25%. This rate is increased to 40% in the dual condition that such equipment is installed in a dwelling completed before 1.1.1977 and that their installation is completed no later than December 31 of the 2nd year following the acquisition of housing.

The tax credit rate of 25% applies to expenditure incurred between 1 January 2005 and December 31, 2012. For example, expenses paid in 2008 will be declared during the tax return for 2008.
So in 2009 it will report these expenses.

The tax credit rate of 40% applies to expenditure incurred between 1 January 2006 and December 31, 2012. For example, expenses paid in 2008 will be declared during the tax return for 2008.
So in 2009 it will report these expenses.

4) Inclusion in a new home or purchase of equipment for power generation using renewable energy and heat pumps, whose essential purpose is the **production of heat.**

Equipment energy using a renewable energy source	**Features and performance**
Heating equipment or supply of hot water powered by solar energy and equipped with solar panels: **water heaters and solar heating**	Solar answering CSTBat certification or certification or equivalent Solar Keymark
Facilities for heating or hot water running on **wood or other biomass** including energy efficiency must be greater than or equal to 70% where the concentration of carbon monoxide must be less than or equal to 0.6%	Yield 70 % Rate of CO ≤ 0,6% 0.6%
Stoves	Norm: NF EN 13240 NF D or NF 35,376 or 14,785 or 15,250 IN
Closed fireplaces, inserts chimneys	Norm NF EN 13229 ou NF D 35376

Cookers used as a method of heating	Norm NF EN 12815 ou NF D 32301
Boilers other than condensing boilers and low temperature set point at which thermal power is less than 300 kilowatts and whose performance is greater than or equal to 70% for manual loading equipment, greater than or equal to 75% for automatic loading equipment	Norm NF EN 303.5 ou EN 12809 NF EN 303.5 Yield ≥70% (manual loading) Yield ≥75% (autoload)
Supply systems of electricity from solar energy: **photovoltaic**	Norm EN 61215 or BS EN 61646
Supply systems of electricity from **wind, hydro or biomass**	
Heating equipment and supplies ECS (hot water) operating at hydropower	
Heat pumps whose essential purpose is the production of heat.	**Features and performance**
Heat pumps and geothermal heat pump air / water	COP ≥3,3 , according to the provisions of the decrees of December 12, 2005 and November 13, 2007

COP: Coefficient of energy performance of a heat pump is reflected by the ratio between the amount of heat generated by it and the electrical energy consumed by the compressor.

For all these facilities produce renewable energy and heat pumps whose essential purpose is the production of heat, the rate of tax credit from 40% to 50% on 1 January 2006. This rate is reduced to 40% for expenses paid in 2009 and 25% for expenses paid from 1 January 2010 in respect of boilers and heating equipment in hot water independent running on wood or other biomass and heat pumps geothermal or air / water.

However, when such equipment is installed in a dwelling completed before 1 January 1977 and that expenditure is made on or before December 31 of the second year following its acquisition or without charge, the rate is fixed at 40%. Furthermore, heat pumps air to air are no longer eligible device tax credit from 1 January 2009.

For expenditure incurred between 1 January 2006 and December 31, 2008, the rate of tax credit for all manufacturing equipment for renewable energy and heat pumps by 50%.
For example, expenses paid in 2008 will be declared during the tax return for 2008.
So in 2009 it will report these expenses.

For expenditure incurred between 1 January 2009 and December 31, 2009, the rate of tax credit is 50% for all manufacturing equipment for renewable energy equipment except for wood heating and heat pumps with rate is 40%.

Heat pumps air to air are excluded from the device. *For example, expenses paid in 2008 will be declared during the tax return for 2008. So in 2009 it will report these expenses.*

For expenditure incurred from 1 January 2010, the rate of tax credit is 50% for all manufacturing equipment for renewable energy equipment except for wood heating and heat pumps whose rate is fixed to 25%.

However, when such equipment is installed in a dwelling completed before 1 January 1977 and that expenditure is made on or before December 31 of the second year following its acquisition or without charge, the rate is fixed at 40% .
Heat pumps air to air are excluded from the device. *For example, expenses paid in 2010 will be declared during the tax return for 2010.*
So in 2011 it will report these expenses.

Special case of certain connections to district heating:

The cost of equipment connected to a network of heat when the system is powered either by a majority of renewable energies, either by a heating plant performance using the technique of cogeneration.

For equipment connected to some networks of heat, the rate of tax credit is 25%.
Expenditure must have been paid between [1] January 2006 and December 31, 2009. *For example, expenses paid in 2007 will be declared during the tax return for 2007. So in 2008 it will report these expenses.*

Moreover, since 1 January 2009, performing, except in cases where regulation makes it mandatory for the diagnosis of energy performance as defined in Article L.
134-1 of the Code of Construction and Housing qualifies for a tax credit with a rate of 50%.
For a dwelling, a single diagnosis of energy performance qualifies for the tax credit for five years.

What types of housing expenses should be made?

- acquisitions of low temperature boilers, condensing boilers, insulation materials and thermal control devices for heating qualifying tax credit of 25% must have been performed in **major houses completed over two years . Since 1 January 2009, taxpayers domiciled in France may receive a tax credit on income for expenses incurred for improving the environmental quality of housing they are owners, tenants or occupants as Free and affect their principal dwelling or dwellings completed more than two years they own and they agree to rent naked use of main residence, for a minimum of five years to persons other than their spouse or a member of their household taxes.**
- For condensing boilers, individual or collective, used for heating or hot water as well as for thermal insulation materials covered in the rate of 40%, the following two conditions must be met: the equipment must be installed in **housing completed before 1.1.1977 and the facilities must be completed no later than December 31 of the 2nd year following the acquisition of housing.**
- procurement of equipment for energy production using renewable energy and heat pumps whose essential purpose is the production of heat must be conducted in **major new housing or older.**

On what amount of expenditure is the tax credit?

The tax credit covers the cost of equipment and materials, excluding labor, except for the special case of the installation of insulation walls opaque.
The installation must be performed by a company and an invoice (or a certificate furnished by the seller or builder of new homes) for mention of features required in the order must be established for tax services.
If extra government funds to acquire equipment (regional council, county council, Anah ...) calculating the tax credit is on costs for acquiring equipment, net of public subsidies, as defined in the tax statement.

What is the amount of expenses eligible for the tax credit?

For a single taxpayer and a single dwelling, the amount of expenses eligible for the tax credit can not exceed the sum of € 8,000 for a single person.
There may be increased depending on the family situation (for example, there is increased to 16,000 € for a couple without children).
To know his rights to the tax credit, it is advised to refer to provisions in Article 200 quater of the General Tax Code.

For the purposes of this measure, it is strongly recommended to refer to:

- At the website www.impots.gouv.fr (page on the tax credit)
- Article 200 quater of the General Tax Code, Article 90 of the Finance Act 2005, section 83 of the Finance Act 2006 Article 109 of the Finance Act 2009
- Instructions tax 5B-26-05, 5B-17-06 and 5B-17-07
- The orders of February 9, 2005, December 12, 2005 and November 13, 2007 taken for the purposes of sections 200 c and 200 c A of the General Tax Code relating to expenditure on equipment from the main house and amending Annex IV this code (list of facilities qualifying for tax credits)

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