



## Tax Credits for Replacing Your Roof

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Replacing your roof with a qualifying energy-efficient metal or asphalt roof can cut your cooling bill and earn you a \$1,500 tax credit.

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The roof of your house protects against more than rain. The sun's rays beat down relentlessly, especially during summer. The intense heat can raise the temperature inside your home.

Proper venting and insulation help keep the cool air in and the warm air out. So, too, do energy-efficient roofing materials, which take the brunt of the solar onslaught. Uncle Sam is encouraging homeowners to improve the roofs of their primary residences with a tax credit worth up to \$1,500.

During 2009 and 2010, you can claim a credit for 30% of the cost of qualifying asphalt or metal roofing materials. The credit, which should be taken on IRS Form 5695 for the tax year in which the work is completed, can be split between 2009 and 2010 but can't exceed \$1,500 total for both years. You can't claim more in credits than you owe in taxes.

### **Metal vs. asphalt roofs**

To qualify for the tax credit, you must use either metal or asphalt roofing materials that are designed to reduce heat gain-the amount of heat transferred into a home-and meet the requirements of Energy Star (<http://www.energystar.gov>), a federal program that promotes energy-efficient products and practices. Metal roofs must have appropriate pigmented coatings and asphalt roofs must have appropriate cooling

granules. Asphalt materials can be either traditional shingles or modified bitumen (rolled asphalt sheets). Energy Star has a list ([http://downloads.energystar.gov/bi/qplist/roofs\\_prod\\_list.pdf](http://downloads.energystar.gov/bi/qplist/roofs_prod_list.pdf)) of all of its approved roofing products, but only the metal and asphalt materials may qualify for the tax credit.

It's a good idea to hang on to manufacturers' certification statements (<http://www.gerardusa.com/Energy%20Star/ESTaxCert.pdf>) that attest to the tax credit-worthiness of the roofing materials you purchase. These can usually be found on product packaging or company websites. You don't need to file these with your tax return, but the IRS could ask for them later. Consult a tax adviser.

Dean Kucharski, a 22-year veteran of the roofing business in Pontiac, Mich., estimates that for a typical 2,200-square-foot home, a mid-range asphalt roof will run about \$7,000 to \$12,000, including labor. The good news is that it will likely last 20 years or more. For a metal roof, expect to pay twice as much, though it can last for 50 years, he says. If you hire a contractor, get an itemized bill that breaks out the cost of materials since labor doesn't count toward the tax credit. Materials should account for about half the bill on standard roofing jobs.

### **How much roof do I have?**

You can get a rough estimate of how much roofing material you'll need by figuring the square footage of the footprint of your home and adding about one-third more to account for roof pitch, overhangs, dormers, gables, and so on. Roofing contractors often quote in terms of "squares." One square equals 100 square feet. So if a roofer says your house is 20 squares, it means it's roughly 2,000 square feet—20 times 100.

Once you're ready to pick a roof type, Kucharski suggests talking to an area building wholesaler or a company that specializes in roofing materials. It's important to consult with someone who knows what types of materials are appropriate for a given region's climate. Big-box retailers may not have as wide a selection or knowledgeable staff.

Finding a good roofer entails the same steps as finding any qualified

contractor: ask neighbors for recommendations, collect at least three bids, check references, and get everything in writing. Craig Silvertooth, executive director of the Center for Environmental Innovation in Roofing (<http://www.roofingcenter.org/>), recommends finding a contractor through the National Roofing Contractors Association (<http://www.nrca.net/>), which has about 4,000 members.

### **Save on cooling bills**

You'll get the most bang for your roof-renovation buck if you live in a hot climate, namely the South and Southwest. Expect to save between 7% and 15% on your cooling costs with energy-efficient roofing materials, says Michelle Van Tijen of the Cool Roofs Rating Council (<http://www.coolroofs.org/>). If you pay \$300 a month to cool your home, figure you'll cut your monthly bill by up to \$45.

Ironically, with roofs there is such a thing as being too energy efficient. In winter months, roofing materials with very high heat-deflecting qualities can increase heating bills. However, you're more than likely to make up the difference on your air-conditioning costs. That's especially true if you live in an area where you run your air conditioner much of the year.

Think hard before replacing a roof that's in perfectly good shape. Consider instead a roof coating, a material painted over your existing roof that offers insulation and sun reflection, says Silvertooth. Roof coating costs about 75% less than replacing a roof, though it doesn't qualify for the tax credit. Another affordable way to save on cooling costs that doesn't even involve the roof is to add more insulation (<http://www.houselogic.com/articles/tax-credits-adding-or-replacing-insulation/>) to your attic. This home-improvement project can even be tackled by weekend warriors, and it qualifies for a federal tax credit.

*This article provides general information about tax laws and consequences, but is not intended to be relied upon by readers as tax or legal advice applicable to particular transactions or circumstances. Readers should consult a tax professional for such advice, and are reminded that tax laws may vary by jurisdiction.*

Gil Rudawsky has been covering business and consumer issues as a reporter and an editor for 18 years, most recently as a business editor at the Rocky Mountain News. He lives in a house built in the 1930s, and always keeps the home's character in mind when making upgrades.