

# Rinnai.

## Tankless Water Heater Tax Credit Information Card

# Get Your Tax Credit Now

Purchasers of qualifying Rinnai tankless water heaters maybe eligible for a \$300 tax credit, as outlined by the Energy Tax Incentives Act, effective January 1, 2006.

- Benefits from the energy tax credit include lower home energy bills, increased indoor comfort and reduced air pollution.
- A total tax credit of \$500 is available to consumers who install energy-efficient new windows, insulation, doors, roofs, and heating and cooling equipment in their homes, including qualifying Rinnai tankless water heater models.
- If you consume and claim the \$500 tax credit on other improvements allowable under the tax, you may not be eligible for the water heater tax credit. Check with your tax professional if you have questions.
- To be eligible, all improvements must be "placed in service" from January 1, 2006 through December 31, 2007, in or on the taxpayer's principal residence in the United States.
- To receive the credit, consumers must follow the guidelines as published by the IRS. Consult your tax professional for more information.
- The tax credit will either increase the consumers' tax refund or will decrease the amount of tax paid.
- For more information, visit The Alliance to Save Energy web site at [www.energytaxincentives.org](http://www.energytaxincentives.org).

### Don't Forget...

*Claiming your \$300 tax credit is three simple steps away:*

- 1.** To find a dealer near you call 1-866-RINNAI-1 or visit our website at: [www.foreverhotwater.com](http://www.foreverhotwater.com)
- 2.** Keep your Rinnai tankless water heater purchase receipt
- 3.** Please consult your accountant, attorney, or financial or tax advisor for more information and to obtain the proper tax credit claim forms.

Please note, this Information Card has no value and is not redeemable. For more information on the Energy Tax Incentives Act of 2005, please visit [www.energytaxincentives.org](http://www.energytaxincentives.org) and consult your tax professional.



**Tankless Water Heater**

# **Tax Credit Fact Sheet**

## **New Consumer Energy-Efficiency Tax Credits**

The Energy Tax Incentives Act of 2005, a part of the new national energy law signed by the President of the United States on August 8, 2005, provides valuable federal tax credits for consumers who drive fuel-efficient vehicles and/or employ energy-efficient products in their homes, including qualifying Rinnai tankless water heaters.

At home, these benefits include lower home energy bills, increased indoor comfort, and reduced air pollution. On the road, consumers will increase their gas mileage so they lower their gasoline costs, and they will dramatically reduce the amount of air pollution from their vehicles.

You can get a one-time tax credit of up to \$500 in total for installing efficient new windows, insulation, doors, roofs, and heating and cooling equipment in your home. All the improvements must be installed in or on the taxpayer's principal residence in the United States.

In addition to helping savvy consumers lower their energy bills at home and on the road, the energy-efficient products eligible for the new federal tax credits actually lower the amount of federal income taxes that these taxpayers must pay Uncle Sam.

### **Rinnai Tankless Water Heaters**

According to the Energy Tax Incentives Act of 2005, consumers who purchase a qualifying Rinnai tankless water heater, at the full purchase price, are eligible for a one-time tax credit of up to \$300.

Rinnai has several models that meet the Energy Bill's .80 EF requirement.

To find out which qualifying Rinnai tankless water heater model is right for you, visit [www.foreverhotwater.com](http://www.foreverhotwater.com) or call 1-866-RINNAI-1 to find a dealer near you.

### **Other Eligible Energy-Efficient Products**

In addition to qualifying Rinnai tankless water heaters, the following are other energy-efficient products eligible for tax credits:

- Central air conditioner, heat pump, or water heater: up to \$300 toward the full purchase price.
- Exterior windows (including skylights): 10 percent of the total cost, up to \$200.
- Insulation, exterior doors, or pigmented metal roofs: 10 percent of the total cost, up to \$500. Duct sealing and weather stripping or foam sealants may also qualify for the credit, depending on the IRS rules.
- Furnace or boiler: up to \$150 towards the full purchase price and/or \$50 for a furnace with an efficient air-circulating fan.

### **Eligibility Factors**

To be eligible for the federal tax credits, the energy-efficient products purchased must meet the following requirements:

- Natural gas, propane and oil water heaters must meet a minimum water heating Energy Factor (EF), which is about 20 percent more efficient than the current federal standard. Electric water heaters do not qualify for the tax credit.
- Windows, doors, and insulation must meet the requirements of the International Energy Conservation Code, a model energy code for buildings. ENERGY STAR windows will almost always qualify.
- Metal roofs must have pigmented coatings that meet ENERGY STAR requirements.
- Heating and cooling equipment must meet stringent efficiency requirements – not even all ENERGY STAR products will qualify. Manufacturers and retailers will likely be able to tell you which products qualify.

### Heating and Cooling Equipment Energy-Efficiency Requirements

In order to be eligible for the tax credit, heating and cooling equipment must meet specified measures of energy efficiency:

Product	Efficiency Requirement
Natural Gas, Propane, Oil Water Heater	Must have an Energy Factor (EF) of at least 0.80. Only some tankless water heaters currently reach this efficiency level.
Central Air Conditioner	Must be in the highest efficiency tier set by an organization called the Consortium for Energy Efficiency – currently seasonal energy efficiency ratio (SEER) of at least 15 and an energy efficiency ratio (EER) of at least 12.5 for most air conditioners.
Electric Heat Pump	Also must be 15 SEER and 13 EER and must have a heating seasonal performance factor (HSPF) of at least 9.
Geothermal Heat Pump	Must meet current ENERGY STAR criteria: <ul style="list-style-type: none"> <li>– For a closed-loop system, 14.1 EER and a coefficient of performance (COP) of at least 3.3.</li> <li>– For an open-loop system, the criteria are 16.2 EER and 3.6 COP.</li> <li>– For a direct expansion system, 15 EER and 3.5 COP.</li> </ul> In addition the geothermal heat pumps must include a desuperheater, which helps heat water, or an integrated water heating system.
Electric Heat Pump Water Heater	Must have an Energy Factor (EF) of at least 2.0.
Natural Gas, Propane, Oil furnaces, Boilers	Must have at least a 95 percent annual fuel utilization efficiency (AFUE) to qualify for the \$150 credit. To qualify for the \$50 tax credit, the furnace air-circulating fan must use no more than two percent of the total annual energy use of the furnace.

For more information on the Rinnai tankless water heater visit, [www.foreverhotwater.com](http://www.foreverhotwater.com) or call 1-866-RINNAI-1. For more information on the Energy Tax Incentives Act of 2005, please visit [www.energytaxincentives.org](http://www.energytaxincentives.org) and consult your tax professional.



# **For Immediate Release**

## **New Energy Bill To Save Americans Money at Home**

**Rinnai works with Industry to promote passage of tax credits for homeowners who install energy-efficient appliances and technologies.**

**Peachtree City, GA** - Heating your home's water just got more affordable thanks to the newly signed Energy Bill; homeowners can now save up to \$300 on their income taxes by installing qualifying, energy-efficient water heating units like Rinnai tankless water heaters. The new Energy Bill allows for such tax credits in order to encourage the use of energy efficient appliances and technologies.

The Energy Bill was established in part to help the U.S. better manage its energy consumption. Therefore, the Bill incorporates incentives for American consumers to embrace new energy-conscious technologies and products. Because residential water heating is one of the highest energy consumers in the American home, the Bill created a special incentive to encourage nationwide transition to modern, highly efficient water heating technology, such as the state-of-the-art technology from Rinnai. The Rinnai tankless water heater provides a never-ending supply of hot water to a home while simultaneously reducing energy consumption and operating costs versus standard storage tank water heaters. Add these savings to the income tax credit and homeowners are getting a double bonus.

The U.S. Department of Energy assigns an Energy Factor (EF) to appliances according to the tested efficiency of products. Generally, standard gas storage tank water heaters have a low EF due to the standing pilot light and the constant heating and reheating of water, whether or not it is demanded. Electric gas storage tank water heaters can have a higher EF, but the operating cost of electric heated water is considered by many as the most expensive way to heat water. Accordingly, the Energy Bill excludes electric tanks from participation in the tax credit. In contrast, the Rinnai tankless water heater has a high EF because of its patented gas modulation technology, which only consumes energy to heat water when it is demanded and consumes no gas when there is no hot water demand; Rinnai tankless technology's EF is often 20 points higher (40+% more efficient) than that of a storage tank. Section 1333 of the Energy Bill identifies the minimum water heating EF to 0.80 in order to qualify for the tax credit. Several of Rinnai's tankless water heater models meet the EF requirement.

The same section gives American consumers a tax credit of up to \$300 for installing items like a qualifying Rinnai tankless water heater. This savings is in addition to what consumers will receive on their monthly utility expenses with a Rinnai tankless water heater. With Rinnai's efficient technology, homeowners can often save up to \$600 annually on their energy bills, depending on the water heating equipment being replaced.

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“We applaud the work of all the many champions who brought this Bill to fruition. We worked diligently to demonstrate the significant energy savings associated with the use of efficient, 21st century water heating technology in the Energy Bill,” said Ervin Cash, Vice President of Rinnai’s heater and water heater groups. “We appreciate the fact that President Bush and Congress embraced the opportunity for all Americans to be rewarded for making energy-smart decisions. With efficient, lifestyle-enhancing water heating equipment like Rinnai now widely available, Americans can personally benefit from becoming more energy conscious and help reduce our dependency on foreign energy sources simultaneously.”

Separate tax incentives exist for builders of efficient new homes (Sec. 1332) and new or renovated commercial buildings (Sec. 1331). These incentives are designed to encourage companies to use efficient water heating methods such as Rinnai’s commercial tankless water heaters.

This tax credit is scheduled to go into effect Jan. 1, 2006 and continue through Dec. 31, 2007, with the potential for renewal beyond this date. Additional credits and requirements are available for a total cap of \$500. Tax professionals should be consulted for further interpretation. See [www.energy.senate.gov](http://www.energy.senate.gov) or [www.house.gov/jct/pubs05.html](http://www.house.gov/jct/pubs05.html) for a copy of the bill. Visit [www.foreverhotwater.com](http://www.foreverhotwater.com) for more information on Rinnai’s tankless water heaters.

### **About Rinnai**

Rinnai North America Corporation, a subsidiary of Rinnai Corporation in Nagoya, Japan, was established in 1974 and is headquartered in Peachtree City, GA. Rinnai Corporation manufactures gas appliances, including tankless hot water heaters, ductless heaters, fireplaces, and cooking appliances. Today, Rinnai is the single largest gas appliance manufacturer in the world and is the technology leader in the tankless water heating industry. Annual corporate revenues including those of its subsidiaries are in excess of \$2 billion USD. With a global perspective to create 21st century products for the home and office, Rinnai Corporation commits itself to safety and the pursuit of comfortable lifestyles. For more information about the Rinnai Corporation and the Rinnai tankless water heater product, visit [www.foreverhotwater.com](http://www.foreverhotwater.com)

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## **Tankless Water Heater**

# **Tax Credit FAQs**

### **What are the requirements of the Energy Tax Incentives Act of 2005?**

Consumers can get a one-time tax credit up to a total of \$500 for installing efficient new windows, insulation, doors, roofs, and heating and cooling equipment in your home. All the improvements must be installed in or on the taxpayer's principal residence in the United States.

### **When is the Energy Tax Incentives Act of 2005 Effective?**

The credit applies to qualified energy efficiency improvements and qualified energy property, including tankless water heaters such as those manufactured by Rinnai, central air conditioners, exterior windows, insulation, exterior doors, pigmented metal roofs and furnaces with efficient air-circulating fans, which are "placed in service" from January 1, 2006, through December 31, 2007. The IRS defines "placed in service" as when the products or materials are ready and available for use – this would generally refer to the installation, not the purchase.

### **What is a tax credit?**

You don't receive an income tax credit when you buy the product, like an instant rebate. You claim the credit on your federal income tax form at the end of the year. The credit then increases the tax refund you receive or decreases the amount of tax you have to pay.

### **What is the difference between tax credits and tax deductions?**

In general, a tax credit is more valuable than a similar tax deduction. A tax credit reduces the tax you pay, dollar-for-dollar. Tax deductions – such as those for home mortgages and charitable giving, for example – lower your taxable income. If you are in the highest 30 percent tax bracket, your income tax is reduced by 30 percent of the value of a tax deduction. But, a tax credit reduces your federal income tax by 100 percent of the amount of the credit.

### **How much does a Rinnai tankless water heater cost?**

Depending on your home's needs, an installer can determine which model Rinnai tankless water heater would be the best fit. Depending upon the size model, the cost of Rinnai tankless water heaters range from \$600, \$900 to \$1,300 plus installation and accessories.



## **Tankless Water Heater**

# **Tax Credit FAQs**

### **How much is the tankless water heater tax credit?**

According to the Energy Tax Incentives Act of 2005, consumers can receive a one-time tax credit of up to \$300 toward the full-price purchase of a qualifying energy-efficient Rinnai tankless water heater.

### **How do I obtain the tax credit claim forms?**

Follow the published IRS guidelines. At the least, you will need to keep receipts proving that you purchased the improvements. Consult a tax professional to determine what forms you will need to complete to receive your tax credit.

### **Where can I get a Rinnai tankless water heater?**

Visit Rinnai's website, [www.foreverhotwater.com](http://www.foreverhotwater.com) or call 1-866-RINNAI-1, to find a Rinnai tankless water heater dealer near you.

For more information on the Energy Tax Incentives Act of 2005, please visit [www.energytaxincentives.org](http://www.energytaxincentives.org) and consult your tax professional.