2006

Massachusetts Department of Revenue

Schedule HEEC
Home Energy Efficiency Credit

Name | Federal Identification or Social Security number

General Information

1 Type of return being filed (check only one):

☐ Individual ☐ Partnership ☐ Corporate trust ☐ Corporation ☐ Trust

☐ Corporation included in a combined return (enter name and Federal Identification number of principal reporting company):

☐ Other (specify) _____

2 Location of property energy efficient heating items installed _____

Computation of Home Energy Efficiency Credit

3 Describe purchases of energy efficient heating items. Taxpayers cannot use the same expenses to claim both the Home Energy Efficiency Credit on Schedule HEEC and the Solar and Wind Energy Credit on Schedule EC. Complete details must be available upon request.	**Date acquired** (must be between 11-1-05 & 3-31-06)	**Cost** (if not using cost, explain on separate sheet)

4 Total cost of energy efficient heating items	**4**	
5 Enter any credits received pursuant to the Internal Revenue Code for such expenditures	**5**	
6 Enter any U.S. HUD grant or rebate for such expenditures	**6**	
7 Enter any rebates or discounts from an electric or gas utility	**7**	
8 Add lines 5 through 7	**8**	
9 Total cost of property after reduction. Subtract line 8 from line 4	**9**	
10 Available current-year Home Energy Efficiency Credit. Multiply line 9 by .30 (30%). Not more than $600 ($1,000 for a multi-unit dwelling or for taxpayers owning more than one residential property in Massachusetts. See instructions)	**10**	
11 Enter available credit from prior year, if any (from 2005 Schedule HEEC, line 10)	**11**	
12 Add lines 10 and 11	**12**	
13 Enter $600 (or $1,000 if a multi-unit dwelling or for taxpayers owning more than one residential property)	**13**	
14 Subtract line 13 from line 12. Not less than "0"	**14**	
15 Enter amount of credit claimed from prior year, if any (from 2005 Schedule HEEC, line 12)	**15**	
16 Add lines 14 and 15	**16**	
17 Massachusetts Home Energy Efficiency credit available this year. Subtract line 16 from line 12	**17**	
18 Total tax for determining allowable credit. Form 1, line 27; Form 1-NR/PY, line 31 (less Limited Income Credit and/or Credit for Taxes Paid to Other Jurisdictions); Form 2, line 40; Form 3F, line 24. Taxpayers subject to tax under MGL Ch. 63, enter amount of excise before credits from appropriate return	**18**	
19 Massachusetts Home Energy Efficiency Credit allowable this year. Enter the smaller of line 17 or line 18 here and on Form 1 or Form 1-NR/PY, Schedule Z, line 8; Form 2; Form 3F; or on the appropriate line of your corporate return	**19**	

Schedule HEEC Instructions

Who is Eligible for the Home Energy Efficiency Credit?

The Home Energy Efficiency Credit is available to personal income taxpayers or corporate excise taxpayers that own residential property located in Massachusetts. Subject to certain limitations, these taxpayers may claim a credit in the amount of the net expenditure for energy-efficient heating items purchased on or after November 1, 2005, but not later than March 31, 2006, for installation in said property.

How Much is the Credit?

The maximum aggregate amount of the energy-efficiency heating credit that may be claimed by a qualifying taxpayer for the cost of energy efficient heating items is the lesser of 30% of the net expenditure for the qualifying purchases or $600 ($1,000 for a multi-unit dwelling).

If a qualifying taxpayer owns more than one residential property located in Massachusetts, the maximum aggregate amount of the energy-efficiency heating credit is the lesser of 30% of the net expenditure for the qualifying purchases or $1,000.

Joint owners of a residential property must share any credit available to the property in the same proportion as their ownership interest.

What are Qualifying Purchases?

Qualifying purchase of energy-efficient heating items include, but are not limited to, home insulation, new window installation, advanced programmable thermostats, fuel efficient furnaces, boilers, oil, gas, propane, or electric heating systems, solar domestic hot water systems, materials for insulation or sealing of a duct, attic, basement, rim joint or wall and pipe insulation for heating systems.

To be a qualified purchase for purposes of the credit, the item purchased must be one of the items listed above or the item must similarly relate to heat conservation, as opposed to some other type of energy-efficient items. Qualified purchases include only purchases of energy-efficient heating items made on or after November 1, 2005 but not later than March 31, 2006, and must be for installation in residential property located in Massachusetts. The credit is allowable if a taxpayer pays for energy-efficient heating items on or before March 31, 2006 but the installation takes place after March 31.

How Do Multiple Owners of Eligible Property Claim the Credit?

If eligible property is owned by two or more participants, the credit is available to each participant in proportion to the ownership interest of each in such property. Joint owners of residential property may share any credit claimed for energy-efficient heating items in the same proportion as their ownership interest in the residential property.

Can I Claim the Credit if I Own a Condominium or Co-Op?

A taxpayer who owns a condominium or a cooperative dwelling (i.e., the taxpayer is a stockholder in a cooperative housing corporation) and for whom such purchases are accounted for in a common area fee or special assessment against such costs may claim a proportionate share of the expenditure for energy-efficient heating items by such condominium association or cooperative housing corporation as may be reasonably attributed to the taxpayer's proportionate ownership share of the condominium or cooperative dwelling.

What Adjustments Must I Make?

To calculate the net expenditure for energy-efficient heating items, the total amount of expenses for qualified purchases must be adjusted as follows. The total purchase price for qualified purchases plus installation costs must be reduced by the following amounts: (1) any credits received pursuant to the Internal Revenue Code, (2) any grants or rebates received from the United States Department of Housing and Urban Development, and (3) any rebates or discounts received from an electric utility or gas utility. The resultant amount is the net expenditure for purposes of the credit.

Are There Limitations to the Credit?

Yes. A taxpayer may not sell or transfer the energy-efficiency heating credit to another taxpayer. The amount of the credit claimed may not exceed the taxpayer's personal income tax liability for that year or reduce the corporate excise below the greater of the minimum excise or 50% of the excise before credits. Also, personal income tax taxpayers may not use the same expenses to claim both the energy-efficiency heating credit and the renewable energy source property credit on Schedule EC.

Corporate excise taxpayers may not use the same expenses to claim both the energy-efficiency heating credit and any other credit allowable under chapter 63.

When Can I Use the Credit?

The credit may be taken in taxable year 2005 or 2006, regardless of the exact date on which any qualifying purchases were made. The amount of credit that exceeds the total tax due for the taxable year in which the credit is taken may be carried over, as reduced, and applied against the tax liability for the next taxable year.