



**GWS (Guaranteed Watt Saver Systems, Inc.)**  
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**FOR IMMEDIATE RELEASE**

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**2012 OKLAHOMA STATE TAX CREDIT TO HOME BUILDERS**  
**Oklahoma State Legislature Reinstates Home Builder**  
**Tax Credit for Energy Efficient Construction**

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The Oklahoma Tax Credit is back and the qualifications are unchanged:

- 1. The home must be 2,000 square feet veneer or less.**
  
- 2. IECC 2004<sup>1</sup> is the baseline.**
  - a. Homes 20% more energy efficient can receive up to \$2,000.
  
  - b. Homes 40% more energy efficient can receive up to \$4,000.
  
  - c. The tax credit is calculated dollar for dollar for qualified expenditures:
    1. Energy efficient heating or cooling system,
    2. Insulation material or systems which is specifically and primarily designed to reduce the heat gain or loss of a residential property when installed in or on such property,
    3. Exterior windows, including skylights,
    4. Exterior doors, and
    5. Any metal roof installed on a residential property, but only if such roof has appropriate pigmented coatings which are specifically and primarily designed to reduce the heat gain of such dwelling unit and which meet Energy Star program requirements.
  
- 3. The tax credit goes to the builder.**

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<sup>1</sup> International Energy Conservation Code (IECC) 2004 Supplement to the IECC 2003.

**4. Tax credits are transferable:**

- a. If the credit allowed exceeds the amount of income taxes due or if there are no state income taxes due on the income of the taxpayer, the amount of the credit allowed *but not used* may be carried forward as a credit against
- b. subsequent income tax liability for a period not exceeding **four years** following the qualified expenditures.
- c. The tax credit can also be sold through a brokerage to an interested party.

**5. The builder must provide the State with documentation of the Home Energy Rating System (HERS) Index results to show compliance<sup>2</sup>:**

- a. An independent third party who is certified by the Residential Energy Services Network (RESNET) performs plan analysis and inspections (HERS Rater)
- b. The HERS Rater performs a *first inspection* at the insulation stage (before the dry wall)
- c. The HERS Rater also performs a *second inspection* upon completion of the home using diagnostic testing equipment<sup>3</sup> to determine the air tightness of the building envelope and the duct system.

The terms 20% or 40% more “energy efficient” are used in a broad sense. There are detailed components which are factored into the qualification. A RESNET approved software is used to enter data about the home and document its level of compliance.

Heating and cooling energy consumption must be at least 40% (\$4,000 credit) or 20% (\$2,000) below the annual level of heating and cooling energy consumption of a comparable residential property construction in accordance with the standards of Chapter 4 of the 2003 IECC including any supplements in effect at the time of completion. Also, the building envelope component improvements must account for at least one-fifth (\$4,000 rate) or one-third (\$2,000 rate) of the reduced annual heating and cooling energy consumption levels.

Note that the credit may only be claimed once by the contractor for any eligible residential energy efficient property during the taxable year when the property is *substantially complete*. Traditionally, “substantially complete” has meant, after the blower door test has been performed and/or certificate of occupancy is received.

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<sup>2</sup> RESNET does not provide the sticker, which is the responsibility of the third party verifier or home builder. RESNET is responsible for the standards and guidelines for analyzing and testing for the HERS Index.

<sup>3</sup> RESNET approved Blower Door and Duct testing equipment.

## 2012 TAX CREDIT PROCESS

1. Contact a RESNET certified HERS Rater.
2. HERS Rater will perform analysis on the proposed plan to determine tax credit eligibility.
3. If the home qualifies, the builder will receive a report document of eligibility.
4. HERS Rater must perform a rough inspection at the time of insulation before drywall:
  - a. Inspection is necessary to verify that the proposed building components are the same as installed.
  - b. Inspection will also include verification of the insulation according to RESNET standards.
5. HERS Rater must perform final inspection with diagnostic equipment. This inspection occurs when the home is move-in ready.
6. If all inspection requirements pass, the builder is supplied with a HERS Index sticker from the HERS Rater.
  - a. The HERS Index sticker is confirmation that all inspection items have passed and the home was built according to proposed plan that meets tax credit requirements.
  - b. Builder must make a copy of the HERS Index sticker to supplement tax papers.
  - c. The sticker is placed on the electrical panel of the home.
7. Builder fills out tax form 511CR during tax filing.

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GWS is committed to providing support to residential and commercial builders interested in building science, energy efficient construction, and certification.  
[www.gwssi.com](http://www.gwssi.com)