



Urge Congress to Extend Tax Credit Incentives for Energy Star Factory-Built Homes

Background Information: Growing concern from businesses and consumers over increasing energy costs has resulted in an increased demand for energy efficient products. Homes are long-term assets and energy used in homes is responsible for approximately 25 percent of our country's global warming pollution. The most cost-effective time to make a home more energy efficient is when it is first built. The New Energy Efficient Home Credit (IRC Sec. 45L) helps ensure the continued development of energy efficient housing solutions that reduce heating and cooling costs, as well as reduce the burden on our nation's energy capacity.

The federal tax credit for manufacturers who build energy efficient homes (45L) expired on December 31, 2011. The New Energy Efficient Home Credit provides a tax credit of \$1,000 to manufacturers of Energy Star-qualified manufactured homes while modular home builders are eligible to receive a \$2,000 tax credit by exceeding the International Energy Conservation Code (IECC) by 50 percent. The tax credit has been valuable in helping expand the market for Energy Star manufactured homes, which currently make up approximately twelve percent of total manufactured homes sales nationwide.

For the highly price sensitive manufactured home market, these credits are vital to helping buyers afford the added costs to purchase an ENERGY STAR home and will significantly reduce the cost of homeownership. This tax credit is a critical component of broader Congressional efforts to increase energy efficiency and renewable energy technologies in our nation's built housing stock. If the credit is extended, the market share of homes that meet this requirement will likely continue to grow.

Congress needs to continue providing incentives that encourage the adoption of the most efficient technologies and building practices. These investments in energy efficiency are the most cost-effective way to achieve immediate and substantial reductions in global warming pollution, while also enhancing our economy. The New Energy Efficient Home Credit has begun to move the market in the right direction and we urge Congress to continue this success by extending the credit.

MHI, along with a broad coalition of energy efficiency, environmental, and affordable housing organizations have expressed strong support for extending and expanding the Energy Star tax credit for manufactured and modular homes.

Key Talking Points: The New Energy Efficient Home Credit is vitally important to the manufactured housing industry's efforts to promote energy efficiency for several reasons including:

- For the highly price sensitive manufactured housing market, these credits are vital to helping buyers afford the added costs of purchasing an Energy Star home.
- For manufactured homes, energy costs represent a larger proportion of the total costs of homeownership versus site-built housing; energy price hikes are felt most acutely among owners of manufactured homes.
- For moderate- and low-income households, escalating energy prices are more likely to translate into real declines in disposable income and pose a major impediment to building equity and financial security.
- The energy savings associated with owning an Energy Star home more than compensate for the higher construction costs. In high cost energy areas, cost savings can total thousands of dollars per year.
- The tax credit is viewed by a growing number of state and local government agencies, as well as housing and energy efficiency advocates as a critical foundation for encouraging Energy Star manufactured home construction.

Action Needed: MHI members are asked to contact their Members of Congress and urge them to support legislative efforts to extend the New Energy Efficient Home Tax Credit for the construction of energy efficient factory-built housing beyond 2011.

For more information, contact Rae Ann Bevington at RBevington@mfghome.org or
Jason Boehlert at JBoehlert@mfghome.org.

Incentives for ENERGY STAR Manufactured Homes

State / Utility / Agency	Incentive	Recipient	Status	For more information
Federal Government	\$1,000 federal tax credit	Manufacturer	Available	
Tennessee				
Tennessee Valley Authority	\$400 rebate (electric home)	Retailer	Available	SBRA 212.496.0900
	\$300 rebate (heat pump)	HVAC distributor	Available	TVA 423.876.4167
Kentucky				
State of Kentucky	\$400 state tax credit	Retailer	Available shortly	Office of Energy Policy 502.564.7192
North Carolina				
NC State Energy Office With support from utilities and universities in the state	\$500 rebate	Retailer	Available	SBRA 212.496.0900
South Carolina				
Progress Energy Carolinas	\$400 rebate	Retailer	Available	SBRA 212.496.0900
State of South Carolina SC State Energy Office	Sales tax exemption and \$750 state income tax credit	Homeowner	Available	Trish Jerman 803.737.8025
New Mexico				
State of New Mexico	State tax credit of \$3.00/ft ² of occupied space up to \$9,000	Homeowner	Available	Susie Marbury 505.476.3254
Nevada				
NV Energy, Inc.	\$500 rebate	Retailer	Available	SBRA 212.496.0900
California				
NV Energy, Inc.	Rebate amount \$400	Retailer	Available	SBRA 212.496.0900
Southern California Edison	\$500 rebate	Retailer	Available	SBRA 212.496.0900
Pacific Gas & Electric	\$500 rebate	Retailer	Available	SBRA 212.496.0900