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## Have You Missed these 5 Tax Credits? Part 1

We are all aware of the well-known tax breaks like child allowance and donations to charity. But did you know that there are other lesser-known tax breaks that you can claim? Among them are tax credits for making your home more energy efficient, buying a hybrid car and so on.

### 1. Home Energy Tax Credits

There are two types of credits available to those who make their homes more energy efficient. The first is the Non-business Energy Property Credit. If you install insulation, buy an energy saving air conditioner or water heater, change your doors and windows to conserve energy, you may be eligible for this credit. You will receive of 30% of the cost of the improvements done to your home or \$1,500 whichever is lesser. But your expenses must have been incurred between December 31, 2008 and January 1, 2011 and they must adhere to the standards of energy efficiency.

The second home energy credit is the Residential Energy Efficient Property Credit. If you do more than just make your home energy efficient, you could be eligible for this credit. Doing more means you take steps to generate your own energy in the form of solar power or wind energy. This credit amounts to 30% of your expenses without limit. The only limit is for

fuel cells, which has a maximum credit of \$500.

In order to claim this credit you need to complete IRS Form 5695.

## 2. Hybrid Vehicles Tax Credits

There are 4 types of vehicles that qualify you for this credit. They are hybrid vehicles, alternative fuel vehicles, fuel cell vehicles and advanced lean burn technology vehicles. Do check the amount of tax credit each type of vehicle gives you. You can also get a credit if you convert your car into a plug-in electric vehicle. The amount of credit is \$4,000 or 10% of the cost of conversion, whichever is lower.

If you wish to claim this credit, refer to IRS Form 8910 for all the relevant calculations. For a complete list of qualified hybrid and alternative fuel vehicles check out the Alternative Motor Vehicle Credit section of the IRS website, [www.irs.gov](http://www.irs.gov).

## 3. Mortgage Interest Credit

If you have received a mortgage credit certificate, you may be able to finance the purchase of your home using it as long as the house meets certain criteria. And with a mortgage credit certificate, you may be eligible for the Mortgage Interest Credit. The amount of the credit is limited to the lesser of \$2,000 or the full amount of the taxpayer's total tax liability. If you have not completely used up your credit, you can carry forward the unused credit for up to three years.

To claim the mortgage interest credit, complete IRS Form 8396 and submit it with your 1040 return (the credit should be included on line 54).