

# Schedule EC Instructions

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## General Information

Massachusetts General Laws, Chapter 62, section 6(d) allows any owner or tenant of residential property located in Massachusetts, who is not a dependent of another taxpayer and who occupies the property as his/her principal residence, a credit equal to 15% of the net expenditure for renewable energy source property (installed on or after January 1, 1979) or \$1,000, whichever is less.

A summer or vacation home does not qualify as a principal residence. Property placed in a rental unit by a landlord does not qualify for the credit. Joint owners, who occupy residential property as their principal residence, share any credit available to the property in the same proportion as their ownership interests. A condominium or cooperative housing corporation dwelling unit may qualify. (See 830 CMR 62.6.1). In the case of new construction, the credit is available to the original owner-occupant.

If you move during the year, you can take the \$1,000 maximum credit for each Massachusetts principal residence in which you live. If you use all of your credit for one Massachusetts principal residence and then move, you may take the maximum credit amount on your next Massachusetts principal residence. To take the credit for a renewable energy source item: you must be the first one to use the item; it must be expected to last five years; and it must meet the performance and quality standards prescribed by the Commissioner of Revenue. Expenditures are generally treated as made when the installation is completed. Further information about restrictions and qualifications may be found in 830 CMR 62.6.1.

## Line Instructions

**Lines 1 and 2.** Enter the cost, including installation, of the renewable energy source properties for your principal residence. Qualified renewable energy source property is property which

transmits or uses solar energy for heating or cooling, for providing hot water or electricity, or which uses wind energy to generate electricity or mechanical forms of energy for non-business residential purposes. Examples of solar energy items include collectors, rockbeds and heat exchangers. Examples of wind energy items include windmills, wind-driven generators and power conditioning and storage devices.

**Note:** The following renewable energy source costs are not allowed (830 CMR 62.6.1):

- heating and cooling systems, other than solar or wind, that supplement renewable energy source equipment;
- energy storage mediums for nonessential functions, e.g. swimming pools;
- expenditures for heat pumps (air and water), wood burning stoves or furnaces;
- materials and components that have a structural function or are structural components; and
- energy conservation expenditures for insulation, storm or thermal windows or doors, caulking or weatherstripping, etc.

**Line 4.** Enter the amount of any U.S. HUD grant or rebate related to renewable solar and wind energy source property installed in your principal Massachusetts residence.

**Lines 7 through 10.** Complete all appropriate lines to determine the amount of credit available this year.

**Lines 11 through 13.** If the amount of energy credit available in line 10 is more than your total tax in line 11, less any Limited Income Credit and/or Credit for Taxes Paid to Other Jurisdictions, the excess may be carried over three succeeding years. Excesses are not refundable.