



Premium Efficiency Ductless Heat Pump

Oregon Department of Energy

The Oregon Residential Energy Tax Credit program provides a personal income tax credit for the installation of ductless heat pumps, sometimes called “mini-split” heat pumps, which are certified as energy efficient by the Oregon Department of Energy (ODOE). An applicant can receive a tax credit up to \$1,300 or 50 percent of the cost of the device, whichever is less.

Eligibility: Complete RETC requirements may be found in ORS 469B.100-469B.118, ORS 316.116, and OAR 330-070.

Qualified premium efficiency ductless heat pumps must:

- Be new and installed in an Oregon dwelling that is your primary or secondary (vacation) residence, or property for which you are the landlord (tenants who install eligible devices may also apply).
- Have an inverter-driven variable speed compressor.
- Be installed by a technician trained by the equipment manufacturer.
- Be listed in the Air-Conditioning, Heating, and Refrigeration Institute (AHRI) Directory of Certified Products.
- Deliver at least 50 percent of its AHRI-certified rated heating capacity at 17°F outside temperature.
- Have a minimum Heating Seasonal Performance Factor (HSPF) of 10.0 or greater.
- Include no integrated electric resistance backup heat.
- Be sized and installed per manufacture specifications.
- Meet minimum performance specifications as outlined in Oregon Administrative Rules.

This tax credit is in addition to, but may be limited by, other tax credits and utility or efficiency program rebates or incentives. The tax credit issued applies to the tax year the equipment was purchased, as long as it operational by April 1 of the following year. Otherwise, the tax credit is provided for the year in which the device is operational. The RETC program is scheduled to sunset on December 31, 2017. To meet the program’s sunset, RETC-eligible devices must be purchased by December 31, 2017 and operational by April 1, 2018. ODOE must receive applications no later than June 1, 2018.

ODOE verifies the energy efficiency of devices for the RETC program. It is the applicant’s responsibility to ensure compliance with all other eligibility requirements outlined in administrative rules and statute.

Apply for Your Tax Credit:

- A. System Installation & Verification.** Verify that the ductless heat pump meets the qualifications in Oregon Administrative Rules, and that the installing technician received factory-sponsored training within the last 5 years.
- B. Submit a Completed Application and Verification Form for Premium Efficiency Ductless Heat Pumps.** Have your installer complete Sections 2 and 3 of the application. The technician must follow manufacturer’s start-up and commissioning procedures, and must provide you with a copy of the AHRI certificate of product rating. Include a copy of your paid receipt showing the date, name of the installing company, the heat pump make and model, your device cost, and the total amount paid.

Submit your application promptly, as processing time can vary depending on device type. If your system is approved, you will receive a Tax Credit Certification postcard with your tax credit amount in the mail, which you will need when you file your Oregon Income Tax Return. If you have questions concerning claiming the credit on your Oregon tax return, contact the Oregon Department of Revenue at 1-800-356-4222 or (503) 378-4988.

Your Social Security Number is required to process your tax credit application and may be shared with the Oregon Department of Revenue. It is used to establish your identity for tax purposes only and is authorized by 42 U.S.C. § 405(c)(2)(C)(i) and OAR 330-070-0025(2). ODOE cannot process your application without it.

- C. **Claim the tax credit on your state income tax form.** The credit must be claimed in the tax year in which the device was purchased if the system is operational by April 1 of the following year. Otherwise, the tax credit is claimed the year the device is operational. Proof of purchase must be a contract or invoice dated in the year for which the applicant is claiming the credit. The operational date for the devices is the date when final inspection is completed by a local jurisdiction and is fully operational.
- D. **Keep your Certification postcard, a copy of your application, and proof of payment with your tax records.** Do not attach them to your tax return. If your return is audited, the Oregon Department of Revenue will request copies of the information from you. Tax credits not taken in the first year may be carried forward up to five years; for more information, consult your tax preparer or call the Oregon Department of Revenue.

Pass-through Option: The Residential Energy Tax Credit pass-through option allows an eligible applicant that purchases a qualifying device to transfer their Residential Energy Tax Credit to another individual, estate, or trust (pass-through partner) subject to Oregon personal income tax under ORS 316. You and your pass-through partner (the tax credit recipient) will complete and sign the Pass-through Option Application and mail it to the Oregon Department of Energy. ODOE will then issue the tax credit certification to the pass-through partner. **The pass-through option is a one-time transfer and is final. There may be tax implications; consult with your tax preparer or call the Oregon Department of Revenue.**

Contact:

If you have questions about claiming the credit on your Oregon tax return, contact the Oregon Department of Revenue at 1-800-356-4222 or 503-378-4988.

If you have any questions about equipment eligibility or the application process, please visit ODOE's website at www.oregon.gov/energy or call us toll-free: 1 (800) 221-8035.



Application and Verification Form for Residential Energy Tax Credit

Premium Efficiency Ductless Heat Pump

Oregon Department of Energy

550 Capitol St. NE, 1st Floor
Salem, OR 97301
Toll-free: 1-800-221-8035
Salem: (503) 378-4040 Fax: (503) 373-7806
www.oregon.gov/energy



All application fields required.
Incomplete applications will not be processed & will be returned to applicant.

1. Customer Information

Name:		Social Security No. ^A :	
Email Address:			
Mailing Address:		Daytime Phone:	
City:	County:	State:	Zip:
Street address where system(s) installed (if different):			
City:	Oregon County:	State:	Zip:
If different than mailing address, please explain:			
Check if this is your: <input type="checkbox"/> Primary residence <input type="checkbox"/> Secondary (vacation) residence <input type="checkbox"/> I am the landlord of this property			
Date Purchased:		Operational Date:	

2. Utility & House Information *Installing Technician should complete this section**

Installation type: <input type="checkbox"/> New home <input type="checkbox"/> Existing home (main heating system) <input type="checkbox"/> Room addition / basement / attic	
Total dwelling heated floor area: _____ sq. ft.	Percent total area served by ductless system(s) _____ %
Other heating systems in house: <input type="checkbox"/> Electric resistance <input type="checkbox"/> Gas / oil furnace <input type="checkbox"/> Wood / pellet stove	
Electric utility company:	Natural gas utility company (if any):

3. System Information *Installing Technician should complete this section.**

Manufacturer _____	Outdoor unit model #1 _____
AHRI Reference # ^B _____	Indoor unit model # 1 _____
Date of Purchase _____	Indoor unit model # 2 _____
HSPF Rating _____	AHRI Heating Capacity 17 ⁰ F (Btuh) _____
a. Heating Capacity @ 17 ⁰ F: _____ Btu / hour	b. Heating Capacity @ 47 ⁰ F: _____ Btu / hour
(line a) ÷ (line b) = _____ Must be greater than 0.50 (50%)	
Contractor Name: _____ Multiple Applications for this address: Yes or No	
<input type="checkbox"/> Installed by a technician trained by the device manufacturer	

4. Tax Credit Calculation

1. Total cost (including device, materials and installation labor)	\$ _____
2. Cost of RETC eligible device (device and materials only)	\$ _____
3. 50% of the cost of the device (Line 2 * 0.5)	\$ _____
4. Tax Credit from RETC Rate Chart (www.oregon.gov/energy)	\$ _____
5. Tax Credit Amount (Line 3 or 4, whichever is less; maximum \$1,500)	\$ _____
6. Other Incentives* (utility rebates and other credits)	\$ _____
* If the sum of any rebates, cash payments, grants or tax credits and the RETC (Line 5 + Line 6) exceed the total cost (Line 1), ODOE will reduce the RETC amount calculated in Line 5.	

^A Your Social Security Number is required to process your tax credit application and may be shared with the Oregon Department of Revenue. It is used to establish your identity for tax purposes only as authorized by 42 U.S.C. § 405 and OAR 330-070-0025(2).

^B At the time of installation. From your installer or www.AHRIDirectory.org (required).

FOR OFFICE USE ONLY
File No.:

4. Pass-Through Option (Homeowner completes)

- I want to keep the full tax credit myself
 I want to transfer my tax credit to a person subject to Oregon personal income tax.

• If your tax credit is \$1,500 or less:

- Your pass-through partner will pay you 95% of the certified tax credit amount
- Your pass-through partner will receive 100% of the tax credit to be taken in one year

You and your pass-through partner (the tax credit recipient) will complete and sign the Pass-through Option Application and mail it to the Oregon Department of Energy. The pass-through option is a one-time transfer and is final. The Department of Energy will then issue the tax credit certification to the pass-through partner.

Important: There may be tax implications; consult with your tax preparer or call the Oregon Department of Revenue.

5. Declarations and Installation Verification

I understand that the Oregon Department of Energy does not make any warranty concerning the performance, operation, installation, or any other characteristic or feature of the system. ODOE approval is only for purposes of obtaining the Oregon Residential Energy Tax Credit. I certify that I am the original owner of the system(s). I certify that the system(s) is not installed on a recreational vehicle or motor home. By signing below, I (we) certify that the system described in this application is installed, that I received an operating manual for the system, and the information contained herein is accurate and true.

The Oregon Department of Energy does not sell information from this application as a mailing list. However, we may be required to disclose the name, address, and phone number from your application under the Oregon Public Records Law, ORS 192.410 et seq. We can withhold the address and phone number following a written request explaining personal safety concerns, such as a temporary restraining order. The Oregon Department of Energy does not endorse any company that requests the information.

6. Signatures

Signature of Applicant: _____ Date _____

Signature of Joint Applicant: _____ Date _____

Co Applicant: (Not for Pass-through Option)

Only if two or more persons are purchasing this system **and** filing separate tax returns, give information below.

Name: _____ Address: _____ % ownership: _____

Social Security Number[^]: _____ Applicant Signature: _____ Date: _____

7. Mailing Instructions

Before mailing, be sure your application is complete:

- Application form with your Social Security Number and signature.
- Attach a clear copy of your final sales agreement and itemized receipt.

Photocopy all documents for your records and mail the originals to:

Oregon Department of Energy
550 Capitol St. NE, 1st Floor
Salem, OR 97301

For more information contact:

Call toll-free: 1-800-221-8035 Salem: (503) 378-4040

Fax (503) 373-7806

Email: askRETC@oregon.gov Website: www.oregon.gov/energy