



# Claim for Home Heating System Credit

# IT-240

Tax Law — Section 606(11)

Attach your completed Form IT-240 to Form IT-201 or Form IT-203 if you are claiming a credit for the purchase and installation of an Energy Star home heating system. See instructions below.

## Step 1 — Enter identifying information

Name(s) as shown on return

▼ Your social security number

## Step 2 — Compute credit

A Date of home heating system purchase (mm-dd-yyyy)	B Date of installation (mm-dd-yyyy)	C Cost of home heating system (see instructions)	D Multiply column C by 50% (.5)	E Home heating system credit (enter the lesser of column D or 500)

1 Enter the column E amount or your share of the column E amount. This is your home heating system credit (see instructions) ..... 1.  .

Enter the line 1 amount and code **300** on Form IT-201-ATT, line 12, or Form IT-203-ATT, line 12.

## Instructions

### General information

#### What is the home heating system credit?

The home heating system credit is based on the costs incurred on or after July 1, 2006, and before July 1, 2007, that are directly associated with the replacement of an existing home heating system. The replacement system must be installed in a residence that is your principal residence at the time the costs are incurred. The residence must be located in New York State and the installation must be completed before December 31, 2007. The replacement system must, after installation, qualify for and be labeled with an Energy Star label. (The manufacturer places the Energy Star label on a home heating system according to an agreement by the manufacturer with the United States Environmental Protection Agency and the United States Department of Energy.) For additional information, see TSB-M-06(4)C, (6)I.

You **cannot** claim the credit for installation of a home heating system in a newly constructed principal residence.

The credit is equal to the lesser of 50% of the purchase price of the system or \$500. If the amount of the credit exceeds your tax, any excess will be refunded without interest.

#### When do I claim the home heating system credit?

The credit is available for tax years beginning in 2006 and 2007. You may claim the credit for the tax year in which the installation of the replacement system is completed. To claim a credit for tax year 2007, the installation must be completed by December 31, 2007. The credit is based only on costs incurred on or after July 1, 2006 and before July 1, 2007.

#### How do I claim the credit?

Complete this form and attach it to your 2007 Form IT-201, *Resident Income Tax Return*, or Form IT-203, *Nonresident and Part-Year Resident Income Tax Return*.

If you move from one principal residence in New York State to another principal residence in the state and you incurred costs on or after July 1, 2006, and before July 1, 2007, to replace the home heating systems in both residences, you may claim a credit for the costs incurred to replace both home heating systems. Both replacement systems, after installation, must qualify for and be labeled with an Energy Star label. You must have incurred the costs at the time when the residence is your principal residence, and you must file separate Forms IT-240 to compute your credit for each principal residence.

If you occupy your residence with another taxpayer or taxpayers, see the instructions for line 1 on the back.

(continued)



## Definitions

*Principal residence* means the home where you live most of the time. A summer or vacation home does not qualify. A principal residence can be a house, whether owned or rented, a mobile home, cooperative apartment, or condominium.

*Home heating system* is the primary system in the home that generates heat and distributes it by air, water, or steam to various rooms of the house. A system that provides heat and provides hot water for the home for bathing, etc., will also qualify. However, a system that produces only hot water for bathing, etc., will not qualify.

The costs incurred that are directly associated with replacement of an existing home heating system include the amounts paid on or after July 1, 2006, and before July 1, 2007, for the purchase and installation of the replacement system and the removal of the old system. These costs include costs incurred for material and labor, including materials and labor for the installation of any pumps, pipes, duct work, etc., that are necessary for the proper functioning of the system, and any engineering and design costs. These costs do not include any interest or finance charges. Costs are incurred when you are obligated to pay the cost, even if you have not actually paid the cost. If the replacement home heating system provides heat for both your principal residence and to nonresidential property associated with the residence, the entire cost qualifies for the credit.

## Filing in your tax forms

For complete information on how to fill in New York State scannable income tax forms, see the instructions for:

- resident return (Form IT-201),
- nonresident and part-year resident return (Form IT-203).

Also see the instructions for the above returns for the *Privacy notification* or if you need help contacting the Tax Department.

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## Specific information

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### Step 2 — Compute credit

Complete this section for the qualified home heating system for which you are claiming the home heating system credit. Include only costs incurred on or after July 1, 2006 and before July 1, 2007.

**Line 1** — If you occupy a principal residence with another taxpayer or taxpayers, you must prorate the amount of credit allowable to each taxpayer according to the percentage of the total costs incurred by each taxpayer. However, a husband and wife filing a joint return do not have to prorate the credit. The maximum credit cannot exceed \$500. If you are prorating the credit, enter only **your** share of the credit on line 1. Attach a statement showing the name of each taxpayer of the residence and the total costs incurred by each taxpayer.

**Example:** *You and your father occupy the same residence. You each pay one-half of the cost of the home heating system. You must claim one-half of the total credit on your New York State return and your father would claim the other half of the credit on his New York State return. You must each file a Form IT-240 showing the computation of the total credit and attach the statement as described in the line 1 instructions above.*

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