



Residential Product News

M-484-2008

December 18, 2008

To: All Branch Managers, Branch Sales and Service Managers, Distributor Principals, Distributor Sales and Service Managers, Regional Sales Managers and Regional Sales Vice Presidents.

Subject: Luxaire Tax Credit Certificates for 2009

On October 3, 2008, President Bush signed into law the “Emergency Economic Stabilization Act of 2008”. That legislation reinstated federal tax credits for energy efficient home improvements including the installation of certain high efficiency HVAC equipment. Tax credits of up to \$500 for residential HVAC products are available for improvements made in 2009. The IRS has provided guidelines on these credits for systems “placed in service” from January 1, 2009 through December 31, 2009.



Please note that the IRS defines “placed in service” as when the property is available and ready for use! Based upon this definition, qualification for the tax credits is not based on the sales date or even the installation date for the HVAC equipment. Homeowners / customers will qualify for the specified tax credits if the equipment is **“placed in service” between January 1, 2009 and December 31, 2009.** This means some equipment sold today will be eligible for the 2009 tax credits!

The 2009 Federal tax credit amounts for HVAC equipment are as follows:

1. A furnace rated at 95.0% AFUE or higher is eligible for a \$150 tax credit
2. A furnace/air handler with an advanced main air circulating fan receives a \$50 tax credit.
3. A central air conditioner with 15 SEER/12.5 EER rating is eligible for a \$300 tax credit.
4. An air source heat pump with 15 SEER/13 EER/9 HSPF rating receives a \$300 tax credit.

Note that these credits may not exceed a total of \$500 per home, but refer to IRS Form 5695, “Residential Energy Credits” for definitions, requirements, and applicable restrictions.

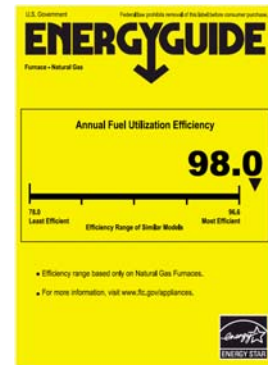


Under IRS rules, manufacturers must certify that specific measures are met and what equipment is eligible. This eligibility is shown in ratings found in the Air Conditioning, Heating, and Refrigeration Institute (AHRI), the Consortium for Energy Efficiency (CEE), or Gas Appliance Manufacturers Association (GAMA) product directories. The IRS will provide the final rules and forms consumers and homeowners need to use to apply for receiving these tax credits for 2009.

Equipment manufacturers may provide certificates on equipment that qualifies for credits as a service to consumers or may just provide reference to the appropriate certifying agency, such as AHRI, CEE or GAMA. Remember that these certificates are not required to be submitted to the IRS as part of homeowner's tax returns, but may be kept on file along with all appropriate receipts and documentation if the IRS has any questions about claims on homeowner's federal tax returns.

Accordingly, we are pleased to announce that 2009 Federal Tax Credit Certificates are now available for Luxaire customers who purchased qualifying heating and cooling products for their home. These certificates list all Luxaire residential gas furnaces, air handlers, air conditioners and heat pumps that are eligible for tax credits under the "Emergency Economic Stabilization Act of 2008". These certificates may be downloaded from our websites for your customers at their convenience. As new residential heating and cooling products are introduced through out 2009, we will update these certificates as required to provide the latest information possible.

We want to remind you that Luxaire provides the most complete line of indoor products in the industry that meets these high efficiency requirements. Regardless of application, configuration, or any of the outstanding features of our gas-fired residential furnaces, all Luxaire 33" tall condensing furnace models exceed the minimum 95.0% AFUE requirements for these tax credits in 2009.



With twelve different models achieving 97.0% to 98.0% AFUE, you have the all time, off-the-chart, industry leader for the most efficient and highest rated gas-fired residential furnace product line ever built! Now that's something to talk about with our customers!

ACCLIMATE™ S E R I E S

For the split system air conditioners and heat pumps, the expansion of the Acclimate series premium tier products completed in 2008 provides more models at higher efficiency levels than ever before. Whether our customers want R-22 or R-410A refrigerants, the Acclimate product line has the right product to meet their needs – attractive appearance, reliable performance, quiet operation, and the high efficiency ratings to qualify for these tax credits in 2009.

With the introduction of the LX Series mid-tier outdoor products in 2008, you now have available an entire new tier of cost-effective cooling units that meet the efficiency requirements for the federal tax credits.



So with literally hundreds of products (air conditioners, heat pumps, furnaces, and air handlers) that qualify for these Federal tax credits, there are more reasons than ever to purchase HVAC equipment from Luxaire. Once again, it's obvious as to which manufacturer is providing the best products in the industry – Luxaire is second to none!

Additional information on this topic is available with this letter, including an excerpt from the Energy Star website that explains the tax credits in more detail. More details on tax credit or product ratings may be found at any of the following websites:

ACEEE (American Council for an Energy-Efficient Economy)
<http://aceee.org/energy/national/taxkey.htm/>

AHRI (Air Conditioning, Heating, and Refrigeration Institute)
<http://www.ahrinet.org/Pages/ShowMeMore.aspx?src=single&lpk=741/>

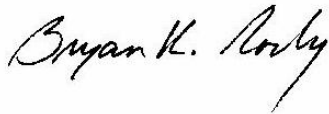
CEE (Consortium for Energy Efficiency)
<http://www.ceehvacdirectory.org/continue.html/>

Energy Star
http://www.energystar.gov/index.cfm?c=products.pr_tax_credits#s9/

GAMA (Gas Appliance Manufacturers Association)
<http://www.gamanet.org/gama/inforesources.nsf/vContentEntries/Product+Directories?OpenDocument/>

Tax Incentives Assistance Project
<http://www.energytaxincentives.org/general/legislative.php>

Please feel free to contact me if you have any questions or comments on this material.
Good selling!



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