

## **Tile Roofing, Energy Star and the Homeowner Tax Credit (25C)**

### **Issue**

Congress should not extend the homeowner energy-efficiency tax credit (IRC Sec. 25C), which expires Dec. 31, 2013, unless 25C's product-specific criteria for roofing is replaced with product-neutral criteria that would include roof tile that meets or exceeds EPA's Energy Star requirements.

### **Legislative Background**

The Energy Policy Act of 2005's list of eligible building envelope components for the homeowner energy-efficiency tax credit originally included only one roofing product: "any metal roof that has appropriate pigmented coatings that are specifically and primarily designed to reduce the heat gain of a dwelling unit and meets or exceeds Energy Star program requirements." The Emergency Economic Stabilization Act of 2008 expanded eligibility for the credit to include asphalt roofs with cooling granules. The American Recovery and Reinvestment Act of 2009 raised the credit from 10 to 30 percent with a \$1,500 cap for all qualifying property; and the Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010 extended it through 2011, but at the 2008 levels (10 percent/\$500 cap). The American Taxpayer Relief Act of 2012 extended the credit at these levels through Dec. 31, 2013, however, only two types of roofing systems (metal and asphalt) continue to qualify to the detriment of consumers who would prefer to use tile roofing products that also meet or exceed Energy Star requirements.

### **Tile Roof System Energy-Efficient Features**

- Many tile products meet or exceed Energy Star's solar reflectance requirement for steep-slope roofing and are listed on EPA's website for Energy Star Reflective Roof Products for Consumers.
  - Energy Star certification for tile products uses exactly the same requirement for asphalt and metal roof products that are referenced in IRC Sec. 25C to be eligible for the credit.
- DOE approved software (MICROPAS) used for the builders' energy-efficient new home credit (IRC Sec. 45L) shows the building envelope energy saving for an Energy Star tile roof is double that for an asphalt shingle roof for the following reasons:
  - The natural airspace around the tiles creates ventilation that provides a thermal barrier for heat transfer to the roof deck. This "Above Sheathing Ventilation" (ASV) can result in greatly reduced heat flux transfer when compared to other roofing materials.
  - Research from DOE's Oak Ridge National Laboratory shows that tile roofing's mass, reflectivity and ventilation beneath the tiles contribute to a reduction of heat transfer of at least 50 percent compared to other materials, and coated clay tiles can cut the transfer of heat by up to 70 percent.
  - Because of the air space or ASV, energy costs are substantially reduced. The ventilation provides the benefits of a cooler house in the summer and a warmer house in the winter.
- Concrete and clay tiles are inherently sustainable and made of naturally occurring raw materials.

### **Solution**

Congress should amend the American Taxpayer Relief Act of 2012 so that all roofing products that meet or exceed Energy Star requirements qualify for the homeowner energy-efficiency tax credit (25C). A technical correction to add product-neutral roofing criteria (based on Energy Star) would cost Treasury \$1 million or less annually. This would level the scales for consumers who would prefer to put energy-efficient tile roofing on their homes and also promote America's energy-policy goals for residential construction.

### **Contact**

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