



9000 Conservation Way  
Fort Wayne IN 46809  
260-478-5667  
www.waterfurnace.com

**FOR RELEASE:**  
October 7, 2008

**Editorial Contact:**  
Katie Stafford, Godfrey  
717-393-3831, ext. 159  
kstafford@godfrey.com

## **Energy Improvement and Extension Act Provides New Federal Tax Incentives for Installation of Geothermal Systems**

Fort Wayne, IN. – Home and commercial building owners who install geothermal heating and cooling systems are now eligible for federal tax incentives under the Energy Improvement and Extension Act of 2008, passed by Congress Oct. 3 as part of the economic recovery package.

WaterFurnace International Vice President of Sales and Marketing, Phil Albertson, said, “By passing this important piece of legislation, Congress is encouraging the growth of renewable energy and the small businesses across the country that support it. WaterFurnace dealers are excited about these tax incentives and the positive impact it will have on their business as geothermal systems become increasingly more attractive to both home and commercial building owners.”

The Energy Improvement and Extension Act offers a one-time tax credit of 30 percent of the total investment for residential ground loop or ground water geothermal heat pump installations, with a maximum credit of \$2,000 for a single residence. The legislation also provides a credit of 10 percent of the total investment, with no maximum credit, for commercial system installations.

To qualify for the tax credit residential systems must meet Energy Star requirements, and legislation is retroactive to residential systems installed after Dec. 31, 2007. The tax credit for commercial buildings begins with systems installed after Oct. 3, 2008. Owners can file for the credit by completing the Renewable Energy Credits subsection on their 2008 tax return forms. No proof of purchase is required. However, in case of an audit, owners are encouraged to keep a detailed invoice of their purchase on file. The contractor who sold and installed the product

should list the purchase as a “Geothermal Heat Pump” on the invoice and note that the unit “Exceeds requirements of the Energy Star program currently in effect.”

Tim Shields, Chairman of the Board of WaterFurnace, said, “We believe this incentive will encourage many more homeowners and business owners to install geothermal heat pumps. Geothermal heat pumps are made right here in the U.S. and the machines used to put the renewable heat exchangers in the earth are all made right here. Every system installed requires skilled US labor and more installations mean more jobs. This is truly a homegrown solution to the energy crisis and a very good way to address the financial crisis at the same time. The systems were already growing in popularity, but this stimulus will help us have the impact on the economy and the environment much more quickly.”

Geothermal systems tap the free, completely renewable, supply of solar energy stored just a few feet below the Earth’s surface and use that energy to drive heating and cooling system in both residential and commercial buildings. In addition to utility, state and now federal tax incentives that enhance the affordability of geothermal systems, this cost-effective, environmentally friendly technology offers a host of benefits that includes:

- Free, renewable supply of solar energy
- Efficiency ratings up to five times higher than those of ordinary heating and cooling systems
- Savings on utility bills up to 70 percent
- Reduced carbon footprint since the system burns no fossil fuels More even distribution of heating and cooling for improved comfort
- Improved indoor air quality
- Quiet operation with no noisy outdoor units to disturb the environment or neighbors
- Safe operation that requires no open flame or fuel storage tanks
- Less maintenance
- Increased system longevity (an average life span of 24 years vs. 15 for conventional air conditioners and 20 years for fossil fuel furnaces)

For more information about the benefits of a geothermal heating and cooling system, visit [www.waterfurnace.com](http://www.waterfurnace.com) or contact your local WaterFurnace representative.

To learn more about the new federal tax credits, visit <http://www.thomas.loc.gov> or contact your local tax professional.

**WaterFurnace International, Inc.**

WaterFurnace International, Inc. is the leading manufacturer of residential, commercial, industrial and institutional geothermal and water source heat pumps. Products from WaterFurnace include energy-efficient and environmentally friendly geothermal comfort systems, indoor air quality products and pool heaters. WaterFurnace (TSX:WFI) was founded in 1983, the company is headquartered in Fort Wayne, Ind.

For additional information, please visit [www.waterfurnace.com](http://www.waterfurnace.com).

###