

Tile Roofing, Energy Star and the Residential Tax Credit (25C)

Issue

Congress should not extend the Residential Energy-Efficiency Tax Credit (IRC Sec. 25C), which expired Dec. 31, 2014, unless 25C's product-specific roofing criteria is replaced with product-neutral criteria that would include concrete and clay roofing 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 25C 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 to include asphalt roofs with cooling granules, and the American Recovery and Reinvestment Act of 2009 upped the credit from 10% to 30% with a \$1,500 cap for qualifying property. The Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010 extended it through 2011, but at 2008 levels (10% w/\$500 cap). The American Taxpayer Relief Act of 2012 extended the credit at these levels through 2013, and the Tax Increase Prevention Act through 2014. However, only two types of roofing systems (metal & asphalt shingles) continued to qualify to the detriment of consumers who preferred to use tile products that also meet 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.
- DOE approved software (MICROPAS) used for the Energy Efficient New Home Credit (45L) shows the energy savings for an Energy Star tile roof is double that for an asphalt shingle roof as explained:
 - 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% compared to other materials, and coated clay tiles can cut the transfer of heat by up to 70%.
 - 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.

Solution

With a possible tax extenders' bridge to tax reform, Congress should ensure that all roofing products that meet Energy Star requirements qualify for 25C. Product-neutral roofing criteria based on Energy Star would cost Treasury \$1 million or less annually, level the scales for consumers, and promote America's energy-policy goals.

Contact

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