

IRA Tax Credits for Households !

30% of the costs of the following items can be deducted from your federal tax bill, subject to the limitations listed below. These tax credits apply to purchases made in 2023 through 2032.

("Residential Clean Energy Credits")

CLEAN ENERGY CREDITS with NO CAP for new or existing homes in the U.S.:

Device:	Federal Tax Credit:
* Solar panels	30% of cost. NO CAP
* Solar (water heating)	30% of cost. NO CAP
* Battery Storage w/capacity of at least 3 kWh	30% of cost. NO CAP
* Wind Turbines	30% of cost. NO CAP
* Geothermal Heat Pumps (Energy Star) (Ground Source or Water Source Heat Pumps)	30% of cost. NO CAP
* Fuel Cells with at least 500 watt capacity	30% of cost but with max credit of \$1,000/kW

You may claim the clean energy credit for improvements to your main home, whether you own or rent it. (IRS Form 5695 describes what qualifies as a home.) Qualified expenses may include labor costs for onsite preparation, assembly or original installation of the property and for piping or wiring to connect it to the home. Traditional building components that primarily serve a roofing or structural function generally don't qualify. For example, roof trusses and traditional shingles that support solar panels don't qualify, but solar roofing tiles and solar shingles do because they generate clean energy. For this section only: Excess credit can be applied to future tax years.

("Energy Efficient Home Improvement Credits")

Credits limited to a combined maximum of \$2,000 per year: (Existing homes ONLY.)

Device:	Federal Tax Credit, subject to \$2K annual limit:
* Air Source Heat Pumps	30% of cost including installation
* Heat Pump Water Heaters	30% of cost paid by customer
* Wood & Pellet Stoves & Boilers	30% of cost paid by customer

These credits are for an **existing home** that you improve or add onto, **NOT a new home**. These credit are nonrefundable, so you can't get back more on the credit than you owe in taxes. Unlike the Clean Energy Credits, you cannot apply any excess credit to future tax years.

("Energy Efficient Home Improvement Credits, continued:")

Credits limited to a combined maximum of \$1,200 per year: (Existing homes ONLY.)

Building Envelope Components: (NOT renter eligible)	Federal Tax Credit, subject to \$1,200 annual limit:	
Insulation and Air Sealing Materials	30% of cost	#
Windows, including Skylights	30% of cost, up to \$600 per year	#
Exterior Doors	30% of cost, up to \$250 each, with a maximum of \$500 for 2 doors	#
EFFICIENT Natural Gas, Propane or Oil Heating and Cooling: (see ##)		
* Central air conditioners	30% of cost, up to \$600 per year	##
* Water heaters	30% of cost, up to \$600 per year	##
* Heating equipment	30% of cost, up to \$600 per year	##
Other:		
* Related Electric Panel & Circuit Upgrades	30% of cost, up to \$600 per year must meet the National Electric Code and have a capacity of 200 amps or more.	
* Home Energy Audit	30% of cost, up to \$150	

For the items shaded in blue, the combined credit cannot exceed \$1,200 per year. These credits are for an **existing home** that you improve or add onto, **NOT a new home**. These credit are nonrefundable, so you can't get back more on the credit than you owe in taxes. Unlike the Clean Energy Credits, you can't apply any excess credit to future tax years.

For these items, labor costs do NOT qualify. Windows and doors must meet applicable Energy Star requirements. Insulation and air sealing meet International Energy Conservation Code (IECC) standards in effect at the start of the year 2 years before installation.

Cost may include labor for installation. Must meet the Consortium of Energy Efficiency (CEE) highest efficiency tier, not including any advanced tier, in effect at the beginning of the year when the property is installed.

* = These credits are listed as available to renters by: <https://www.energy.gov/save/renters>

To claim the tax credit: Make your upgrade, then submit IRS Form 5695 when filing your federal income tax.**

** For further details on what qualifies, visit: <https://www.energy.gov/save/home-upgrades>