

# Take advantage of the IRA Tax Credits



## IRA Tax Credits are available now

The Inflation Reduction Act (IRA) of 2022 has been called the single largest climate investment in American history. It is loaded with incentives for homeowners, renters, manufacturers and contractors which will reduce carbon pollution, help us transition away from fossil fuels, boost domestic manufacturing and make clean energy and energy efficient appliances and products more accessible for everyone.

It can be confusing however, so here is an overview and resource list for how to get information that will help you to take advantage of the incentives available. The IRA will provide rebates for low and moderate income homeowners and renters, but the details on that program will not be available until later this year. The tax credits are available starting in the 2023 tax year – that means now!

## Tax Incentives for Residential Upgrades

The IRA 25C and 25D Tax Credits allow households to get tax credits for up to 30% of the cost of upgrades to their homes including the equipment and installation costs. The home must be located in the US and must be used as a residence by the taxpayer. A list of the qualifying upgrades is listed below with the maximum allowable yearly credit. The actual credits available to you will depend on household income. Go to [rewiringamerica.org](https://rewiringamerica.org) to find a useful on-line calculator to help you estimate the tax credits available to you, based your income level.

ITEM	MAXIMUM YEARLY CREDIT
Rooftop Solar	30% of cost
Battery Storage	30% of cost
Geothermal Heating	30% of cost
Energy Audit	\$150
Electric Panel	\$600
Heat Pump Water Heater	\$2,000
Heat Pump AC/Heater	\$2,000
Exterior Doors	\$500
Exterior Windows	\$600
Insulation	\$1,200

## Yearly Total Tax Credit Limits

There are yearly caps to the aggregated tax credits allowable for residential energy efficient home improvements as outlined below. Each group of items has a separate total allowable credit limit. It is possible to utilize the maximum on each group of items for costs incurred each year.

GROUP	AGGREGATED MAXIMUM YEARLY CREDIT LIMIT
1. Energy Audit, Electric Panel, Doors, Windows, Insulation	\$1,200
2. Heat pump, Heat Pump Water Heater	\$2,000
3. Rooftop Solar, Battery Storage, Geothermal Heat Pump	30% of cost with no limit

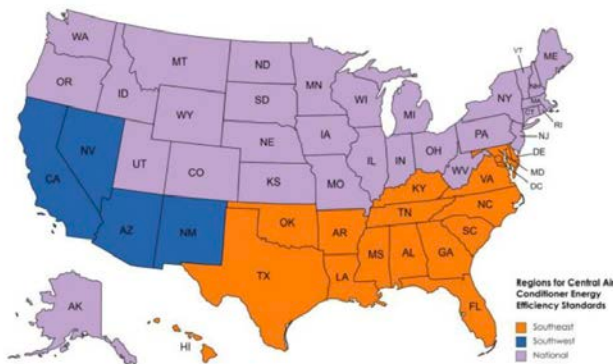


## Make sure the equipment you install will qualify!

To ensure you can qualify for tax credits for installation of heat pumps and other items, this equipment must meet certain efficiency criteria as defined below. Be sure to discuss this criteria with your installer.

ITEM	QUALIFYING CRITERIA
Exterior Doors	Energy Star Rating
Exterior Windows	Energy Star Most Efficient Certification
Insulation Materials	IECC Standard
Electric Panel	National Electric Code – 200 Amps or greater
Battery Storage	3 kWh capacity or greater
Heat Pump Water Heater	3.30 UEF or greater, Energy Star 5.0 Compliance
120V Heat Pump Water Heater	2.20 UEF or greater, Energy Star 5.0 Compliance
Heat Pump	See below

Air Source Heat pump qualifying criteria are more complicated and depend on whether the system will need to prioritize heating for northern areas or cooling for southern areas and whether it is a ducted or ductless system. Determine which region your home is located in using the below map. Southeast and Southwest are jointly called South on the qualifying criteria chart below. For Heat Pumps, the IRA has adopted the specifications for the highest non-advanced Tier for each product as defined by the Consortium for Energy Efficiency (CEE). Those are listed below by region and system type. Go to [cee1.org](http://cee1.org) for more information.



REGION	ITEM	SEER2	EER2	HSPF2	COP AT 5°F	CAPACITY RATIO
North	Ducted Heat Pump	>=15.2	>=10.0	>=8.1	>=1.75	>=58% at 17°F/47°F
North	Non-Ducted Heat Pump	>=16.0	>=9.0	>=9.5	>=1.75	>=58% at 17°F/47°F
South	Ducted Heat Pump	>=15.2	>=11.7	>=7.8	NA	NA
South	Non- Ducted Heat Pump	>=16.0	>=12.0	>=9.0	NA	NA

For more information on IRA Incentives including fact sheets from the IRS with detailed qualifying criteria and other information, go to [electrifynow.net/take-action](http://electrifynow.net/take-action)