



## The Inflation Reduction Act Of 2022 (IRA)

### What Is It?

On August 16, 2022 the U.S. government signed into law the Inflation Reduction Act (IRA) in an effort to reduce greenhouse gas (GHG) emissions by 40% by 2030. As part of the Inflation Reduction Act, homeowners have access to cost-saving options for purchasing energy efficient and electric appliances or making home improvements to electrify their home or increase its energy efficiency.

### Two Ways For Homeowners To Save

The Energy Efficient Home Improvement Tax Credit (25C) provides a federal tax credit to homeowners who install high-efficiency equipment. The previous Nonbusiness Energy Property credit of up to \$500 was extended through 2022. The amended Energy Efficient Home Improvement Credit, which begins in 2023 and extends through 2032, increases the tax credits as high as \$600 for qualified air conditioner or gas furnace, and up to \$2000 for qualified heat pump, heat pump water heater or boiler.

## ENERGY EFFICIENCY HOME IMPROVEMENT TAX CREDIT (25C)

**2023 Amendment:** The 25C tax credit was amended for 2023 and will remain effective until Dec. 31, 2032

### AMENDMENTS INCLUDE:

- Gas furnace and air conditioner can be combined for a total credit up to \$1,200

- Qualifying units meet or exceed the highest efficiency tier that is not the advanced tier.

- 30% of cost up to \$600 (or \$2,000 for HPs)

### 25C Tax Credit Requirements for 2023 (FINALIZED)

Product Type	Tax Credit Amount	Region	AFUE	SEER2	EER2	HSPF2	COP (5°F)
Gas Furnace	\$600	ALL	≥97%	N/A			
Gas Boilers	\$600	ALL	≥95%	N/A			
AC	\$600	ALL	N/A	≥16.0	≥12.0	N/A	N/A
HP (ducted)	\$2,000	S & SW	N/A	≥15.2	≥11.7	≥7.8	N/A
	\$2,000	N	N/A	≥15.2	≥10.0	≥8.1	1.75
HP (ductless)	\$2,000	S & SW	N/A	≥16.0	≥12.0	≥9.0	N/A
	\$2,000	N	N/A	≥16.0	≥9.0	≥9.5	1.75
RPU - AC	\$600	ALL	N/A	≥15.2	≥11.5	N/A	N/A
RPU - HP	\$2,000	S & SW	N/A	≥15.2	≥10.6	≥7.2	N/A
	\$2,000	N	N/A	≥15.2	≥10.0	≥8.1	1.75

# The High Efficiency Electric Home Rebate Program

(HEEHRP) Will enable states to provide up to \$14,000 in direct rebates to low and moderate-income households for installing qualified heat pumps, electrical panel and wiring upgrades, and home insulation and sealing. This program will be administered by individual states, so the effective dates and funds available will vary by state.

A maximum of \$14,000 is available. Up to amounts include \$4,000 for electrical panel upgrades, \$1,600 for insulation and sealing, \$2,500 for wiring and \$8,000 for heat pumps.

For full details and updated information visit:  
<https://www.whitehouse.gov/cleanenergy/>

## UP TO \$8,000 IN REBATES For Installation Of A Heat Pump System

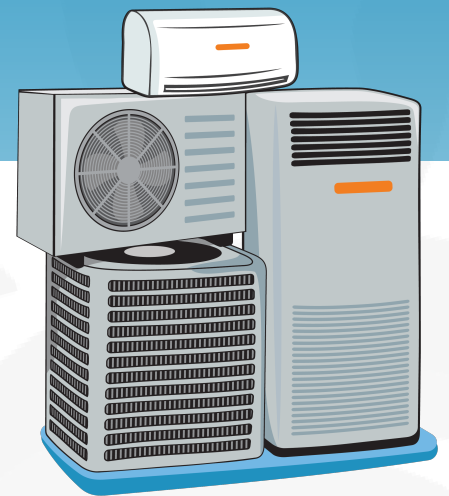
- **Equipment based on Proposed Energy Star 6.1 Rating:**  
(15.2 SEER2 / 11.7 EER2 / 7.8 HSPF2)
- **Income based on Median Household Income for your area.**  
80% or less of median income could qualify for up to \$8,000.  
81%-150% of median income could qualify for up to \$4,000.
- **\* Effective 2023**  
Median Household Income for your area is determined by HUD:  
[https://www.huduser.gov/portal/datasets/il/il2022/select\\_Geography.odn](https://www.huduser.gov/portal/datasets/il/il2022/select_Geography.odn)

## EXAMPLE

TO QUALIFY FOR THE INCOME REQUIREMENT  
if the median household income for  
your area is \$100,000

Your household earns \$80,000 or less, you  
could qualify for up to \$8,000 in rebates.

Your household earns \$80,500 to  
\$150,000, you could qualify for up to  
\$4,000 in rebates.



### Important Links

For Federal Tax Credits:

[https://www.energystar.gov/about/federal\\_tax\\_credits/non\\_business\\_energy\\_property\\_tax\\_credits](https://www.energystar.gov/about/federal_tax_credits/non_business_energy_property_tax_credits)

To find Individual Median Family Income Areas for Inflation Reduction Act Rebates:

<https://www.huduser.gov/portal/datasets/il.html#2021>



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