

Inflation Reduction Act of 2022

As part of the Inflation Reduction Act of 2022, a tax credit can be taken when a homeowner purchases a high efficient product. The information below highlights gas furnaces, air conditioning and heat pumps.

Energy Efficiency Home Improvement Tax Credit (25C)

2023 Tax Credits

30% of total job cost—Up to the maximum credit amounts.
Up to \$600 tax credit for qualifying Gas Furnace
Up to \$600 tax credit for qualifying Air Conditioner
Up to \$2,000 tax credit for qualifying Heat Pump

Tax credits can be taken on IRS Form 5695. www.irs.gov/Form5695

Qualifying equipment is based on the systems efficiency ratings through Consortium of Energy Efficiency (CEE). AHRI will qualify ratings. The **2023** efficiencies are shown in the chart below.

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	\$2,000	S & SW	N/A	≥ 15.2	≥ 11.7	≥ 7.8	N/A
(ducted)	\$2,000	North	N/A	≥ 15.2	≥ 10.0	≥ 8.1	1.75
HP	\$2,000	S & SW	N/A	≥ 16.0	≥ 12.0	≥ 9.0	N/A
(ductless)	\$2,000	North	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	North	N/A	≥ 15.2	≥ 10.0	≥ 8.1	1.75

We are not tax advisors and do not make any representation, warranty, guarantee or other assurance as to whether a particular equipment matchup qualifies or is eligible for a tax credit or rebate. **This content has been prepared for informational purposes only and is not intended to provide, and should not be relied on for, tax advice. The IRS is responsible for the implementation and administration of tax certificates. There are important requirements and limitations for the homeowner to qualify for tax credits. Moreover, the tax laws are subject to change. As a result, we recommend that you consult with a tax advisor regarding a homeowner's qualification for a tax credit in their particular circumstance and verify and review the applicable tax laws and regulations.** We expressly disclaim all liability for damages of any kind arising out of a homeowner's claim for a tax credit or state and local rebate. This information is subject to change without notice.

Inflation Reduction Act of 2022

As part of the Inflation Reduction Act of 2022, a rebate can be obtained from the State when a homeowner enhances the efficiency of their house. 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.

High Efficiency Electric Home Rebate Act (HEEHRA)

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 100% of job costs up to \$8,000.
81%-150% of median income could qualify for 50% of job costs up to \$4,000.
- *Effective 2023

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.

*NOTE:

Information about how to obtain a heat pump rebate through the HEEHRA is NOT yet available. State governments will be responsible for executing the program rebates. State guidelines will likely become available in the Spring of 2023.

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