



## Energy Efficiency Home Improvement Credit

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**Federal Agency:** Department of the Treasury

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**IRA Statutory Location:** 13301

**Tax Code Location:** 26 U.S. Code § 25C

**Tax Provision Description:** Provides a tax credit for energy-efficiency improvements of residential homes.

**Period of Availability:** 2022-2032

**Tax Mechanism:** Consumer tax credit

**New or Modified Provision:** Modified and extended. Credit rate increased from 10% to 30%. Eligibility and standards are modified. \$500/per taxpayer lifetime limit eliminated and replaced with increased annual limits.

**Eligible Recipients:** Homeowners; renters for certain improvements

**Tribal Eligibility:** Yes

**Base Credit Amount:** 30% of cost, with limits for each type of improvement and total per year. Credit capped at \$600 for “energy property,” e.g. efficient heating and cooling equipment; \$600 for windows; \$250 per door, \$500 total for doors; \$2,000 for heat pumps; \$1,200 for qualified energy efficiency improvements to the building envelope, including insulation and air sealing. Total annual credit capped at \$1,200, with a separate annual \$2,000 limit for heat pumps. \$150 credit for home energy audits.

**Bonus Credit Amount:** None

**Direct Pay Eligibility:** No

**Transferability:** No

**Stackability:** No rules

**Relevant Announcements:** [Request for Comments on Incentive Provisions for Improving the Energy Efficiency of Residential and Commercial Buildings](#) (10/5/2022)  
[Frequently asked questions about energy efficient home improvements and residential clean energy property credits](#) (12/22/2022)