



New Energy Efficient Homes Credit

Federal Agency: Department of the Treasury

IRA Statutory Location: 13304

Tax Code Location: 26 U.S. Code § 45L

Tax Provision Description: Provides a tax credit for construction of new energy efficient homes.

Period of Availability: 2023-2032

Tax Mechanism: Tax credit for homebuilders

New or Modified Provision: Existing, but the credit had previously expired at end of 2021. Retroactively extended with new rules effective for homes acquired after 2022.

Eligible Recipients: Homebuilders

Tribal Eligibility: Yes

Base Credit Amount: \$2,500 for new homes meeting Energy Star standards; \$5,000 for certified zero-energy ready homes. For multifamily, base amounts are \$500 per unit for Energy Star and \$1000 per unit for zero-energy ready.

Bonus Credit Amount: For multifamily homes, 5 times the base amount if prevailing wage requirements are met. Initial guidance on the labor provisions is available [here](#).

Direct Pay Eligibility: No

Transferability: No

Stackability: Yes. Taxpayers claiming the Low-Income Housing Tax Credit do not have to reduce basis for 45L credits claimed.

Relevant Announcements: [Request for Comments on Incentive Provisions for Improving the Energy Efficiency of Residential and Commercial Buildings](#) (10/5/2022)
[Prevailing Wage and Apprenticeship Initial Guidance](#) (11/29/2022)
[FAQ: Prevailing Wage and the Inflation Reduction Act](#)