



The Inflation Reduction Act of 2022 (IRA) is the most significant climate legislation in U.S. history, offering funding, programs, and incentives to accelerate the transition to a clean energy economy and will likely drive significant deployment of new clean electricity resources. It also includes potential tax incentives for home builders who build energy-efficient homes.

The Energy Efficient Home Credit (Section 45L) allows builders to claim a federal tax credit of up to \$5,000 per new or substantially reconstructed homes that are certified to meet ENERGY STAR or Zero Energy Ready Home standards.

Here are some ways home builders can make their homes more energy-efficient to qualify for the 45L credit:

- Use a high performing building envelope on exterior walls
- Proper insulation throughout the home
- Seal air leaks throughout the home
- Install energy-efficient HVAC systems, appliances windows, doors, electronics and lighting
- Utilize renewable energy sources like solar panels or geothermal heating and cooling

To validate a home meets requirements, a certified energy rater can help. Energy raters can inspect your homes and provide you with a certificate of compliance when standards are met.

Your local ParksitePRO can provide guidance specific to meeting building envelope requirements.

Once certified, a builder can file for the tax credit using IRS Form 8908. The credit is available for homes that are placed in service between January 1, 2023, and December 31, 2032.

To learn more scan the QR code below or contact your local ParksitePRO.

