Clean Energy Incentives
Credits for solar improvements and clean energy vehicles

Residential Clean Energy Credit (previously the Residential Energy Efficient Property Credit) - SOLAR
A 30% credit is available for electric property placed in service from 2022 to 2032 (26% in 2033 and 22% in 2034).
- Qualified property includes solar electric, solar water heating, fuel cell, small wind energy, qualified battery storage costs in addition to several other less common expenditures.
- The credit is only available for clean energy property installed on a personal use property (but does not have to be your principal residence).
- To claim the credit in 2024, the property must be placed in service by 12/31/24. Time of payments (i.e. financing) is not relevant.
- There is no maximum credit a taxpayer can claim (annually or lifetime) and there are no income limitations.
- The credit is non-refundable, but any unused credit disallowed by tax liability limitations can be carried forward indefinitely.

Energy Efficient Home Improvement Credit (previously the Nonbusiness Energy Credit)
This credit is available for property placed in service on or after 1/1/23 (expires in 2032 as under current law).
- Credit is 30% of the cost of qualifying improvement property, including such improvements as exterior doors, windows, skylights, insulation, air conditioners, water heaters and heat pumps.
- Improvements made to second homes and vacation homes qualify (must be personal use property).
- The overall annual limit is $3,200 with no lifetime limit. There are further annual limitations based on improvement type (i.e. $500 annual limit for exterior doors and $600 annual limit for windows and skylights). Contact us for specific inquiries.
- $150 credit is available for home energy audits.
- For credit claims in 2024 and after, a manufacturer identification number will be required to claim the credit.

Clean Vehicle Credit (previously the Qualified Plug-In Electric Drive Motor Vehicles Credit)
This credit is available for autos placed in service on or after 1/1/2023.
- The maximum 200,000 vehicles per manufacturer limit has been removed.
- The maximum credit is $7,500 but must meet certain critical materials and battery components requirements, including a requirement that a certain percentage of materials has been produced in the U.S. or a country with which the U.S. has a free trade agreement.
- The final assembly of the vehicle must occur within North America. You can confirm whether your vehicle qualifies using this link https://afdc.energy.gov/laws/inflation-reduction-act.
- Income limitations apply ($300,000 for married filing joint taxpayers; $150,000 for single taxpayers).
- The credit is not available for leased vehicles.
- The credit is non-refundable and cannot be carried forward. If your income tax liability is less than the total credit, any excess will be lost. See next item for optional credit transfer to dealer for a work-around.
- Taxpayers can claim the "credit" as a price reduction directly through the dealer. This avoids waiting to file your tax returns to get the credit, however, the income limitations will still apply! Meaning you may need to pay the IRS back for that price reduction.
- The credit cannot be claimed if the MSRP exceeds $80,000 for vans, pick-up trucks and/or SUV's and $55,000 for all other vehicles.
- You must be the original owner of the car to claim this credit. However, a lower credit is available for used cars. See next section for the Previously Owned Clean Vehicle Credit.

Previously Owned Clean Vehicle Credit

For taxpayers with income below certain limits ($150,000 married filing joint; $75,000 single), a credit can be claimed for the purchase of used clean vehicles bought on or after 1/1/23 through 2033. The credit is equal to 30% of the sales price, up to a $4,000 maximum credit. Other rules:

- Vehicle must be sold by a licensed dealer (no private party sales).
- The vehicle must be sold for $25,000 or less.
- Only the first resale of the vehicle qualifies.
- The vehicle's model year must be at least two years earlier than the calendar year in which it is purchased.
- The credit can only be claimed once every three years (based on date of sale, not tax year).
- Used car dealers will be able to identify which vehicles on their lot will qualify because they must provide credit information concerning the vehicle to the IRS.