



U.S. DEPARTMENT OF
ENERGY

Making Our Homes More Efficient: Clean Energy Tax Credits for Consumers

Equipment type	Tax Credit Available for 2022 Tax Year	Updated Tax Credit Available for 2023-2032 Tax Years
Home Clean Electricity Products		
Solar (electricity)	30% of cost	30% of cost
Fuel Cells		
Wind Turbine		
Battery Storage	N/A	30% of cost
Heating, Cooling, and Water Heating		
Heat pumps	\$300	30% of cost, up to \$2,000 per year
Heat pump water heaters		
Biomass Stoves		
Geothermal heat pumps	30% of cost	30% of cost
Solar (water heating)		
Efficient air conditioners*	\$300	30% of cost, up to \$600
Efficient heating equipment*	\$300	30% of cost, up to \$600
Efficient water heating equipment*	\$150	30% of cost, up to \$600
Other Energy Efficiency Upgrades		
Electric panel or circuit upgrades for new electric equipment*	N/A	30% of cost, up to \$600
Insulation materials*	10% of cost	30% of cost
Windows, including skylights*	10% of cost	30% of cost, up to \$600
Exterior doors*	10% of cost	30% of cost, up to \$500 for doors (up to \$250 each)
Home Energy Audits*	N/A	30% of cost, up to \$150
Home Electric Vehicle Charger	30% of cost, up to \$1,000	30% of cost, up to \$1,000**

*Subject to cap of \$1,200/year

** The IRS will soon publish further information on eligibility requirements related to home electric vehicle chargers, but we know that credits are intended for residents in non-urban or low-income communities.



Halcyon™ Single Zone Wall Mounted High SEER with Built-In WI-FI Low Temp Heating (Mini Split)

Model #: A0UG15LZAH1 | Meets CEE Advanced Tier criteria

\$2,400 in rebates [^](#)

Amount

30% of project cost (up to \$2,000)

Program - residential [🏠](#)

Federal Tax Credit - Air Source Heat Pump [🔗](#)

Buy on or After: January 1, 2023

Buy on or Before: **December 31, 2032**

Claim By: December 31, 2032

More Info [↗](#)

- Any combination of heat pumps, heat pump water heaters and biomass stoves/boilers are subject to an annual total limit of \$2,000
- Can be combined with other utility rebates.
- Must be an existing home and principal residence
- New construction and rentals do not apply
- Principal residence can be a house, houseboat, mobile home, cooperative apartment, condominium, or a manufactured home
- The overall total limit for an efficiency tax credit in one year is \$3,200
- Total limit of \$1,200 for any combination of home envelope improvements (windows/doors/skylights, insulation, electrical) plus furnaces, boilers and central air conditioners.

[Less Details \[^\]\(#\)](#)

Amount

\$400 per outdoor unit

Program - residential [🏠](#)

PPL Electric Utilities - PA [🔗](#)

Buy on or After: June 1, 2022

Buy on or Before: **May 31, 2023**

Claim By: August 29, 2023

Claim Within: 90 days of purchase

Submit Online [↗](#)

- Cannot be combined with other utility rebates.
- Limit of five rebates per account between June 1, 2021 and May 31, 2026
- May also be claimed **by mail**.
- Must be AHRI rated
- Must be a residential or commercial customer of participating utility
- Must be installed in service territory
- Proof of purchase required
- Systems rebated via midstream channel do not qualify.

[Less Details \[^\]\(#\)](#)

> Up to \$2,400 Available in White Haven, PA



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Air Source Heat Pumps Tax Credit

You can claim:

30%
of project cost

\$2,000
maximum amount credited

This tax credit is effective for products purchased and installed between January 1, 2023, and December 31, 2032.

- How to Claim the Federal Tax Credits
- Strategies to Maximize Your Federal Tax Savings
- Claim the credits using the IRS Form 5695.
- Instructions for Form 5695
- Instructions for Form 5695 (Print Version - PDF)

What Products are Eligible?

Heat pumps are either ducted or non-ducted (mini-splits). Eligibility depends on whether you live in the north or south.

Ducted

South: All heat pumps that have earned the ENERGY STAR label

North: Heat pumps designated as ENERGY STAR Cold Climate that have an EER2 ≥ 10

Ductless (mini-splits)

South: ENERGY STAR certified heat pumps with

- SEER2 ≥ 16
- EER2 ≥ 12
- HSPF2 ≥ 9

North: ENERGY STAR Cold Climate heat pumps with


- SEER2 ≥ 16
- EER2 ≥ 9
- HSPF2 ≥ 9.5

Note: The information provided here about Air-Source heat pumps that are eligible for the tax credit is the most current available. Currently, eligible equipment must "meet or exceed the highest efficiency tier (not including any advanced tier) established by the Consortium for Energy Efficiency which is in effect as of the beginning of the calendar year." The eligibility requirements are subject to change based on the final CEE Criteria and the Internal Revenue Service (IRS).


See Definitions.

Annual Limits on Energy Efficient Home Improvement Tax Credits


In addition to limits on the amount of credit you can claim for any particular equipment installation or home improvement, there are annual aggregate limits. The overall total limit for an efficiency tax credit in one year is \$3,200. This breaks down to a total limit of \$1,200 for any combination of home envelope improvements (windows/doors/skylights, insulation, electrical) plus furnaces, boilers and central air conditioners. Any combination of heat pumps, heat pump water heaters and biomass stoves/boilers are subject to an annual total limit of \$2,000. (Note: ENERGY STAR certified geothermal heat pumps are eligible for a separate tax credit and not counted against these limits.)



Find Eligible Products
Explore brands and features to meet your needs.
Explore [Ducted Heat Pumps](#) and [Mini-Split Heat Pumps](#)




Rebate Finder
Look for utility, state, and local rebates in your area.



Ask the EXPERTS
Your go-to resource for the latest advice from ENERGY STAR experts on saving energy at home and work.

[Learn More](#)



ENERGY STAR Home Upgrade
Learn about heat pumps and other important upgrades.

[Upgrade Now](#)

Who can use this credit?

Principal Residence Owners

Upgrades must be to an existing home & your principal residence. New construction and rentals **do not** apply.

A principal residence is the home where you live most of the time. The home must be in the United States. It can include a house, houseboat, mobile home, cooperative apartment, condominium, and a manufactured home.

How can I maximize my tax credits?

Given the way the annual aggregate limits are structured, it may be prudent to spread your improvements over a few years. If your heating or cooling system is old, and you are considering a new air source heat pump, it is always wise to [optimize your attic insulation](#) first, so you don't pay for more heating and cooling than you actually need. Making these upgrades together in one year would allow you a tax credit of up to \$1,200 for the insulation and up to \$2,000 for the heat pump. Similarly, you could combine a heat pump installation with window/door replacements. In that scenario, the \$2,000 credit for the heat pump could be combined with tax credits up to \$600 total for the windows/skylights plus \$500 for two or more doors. If you replace your water heater the following year, you would be eligible for another 30% tax credit, up to \$2,000 plus up to \$600 if you need an electric panel upgrade to accommodate the new water heater.



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