

Key Tax Incentives

for Homeowners

🔑 Mortgage Interest Deductions¹

Reduce your taxable income

💰 What can itemizing homeowners deduct?

Homeowners can deduct interest on the first \$750,000 of their mortgage.

🔑 State and Local Tax Deduction²

Save on property taxes

🏠 How much can homeowners deduct?

Homeowners can deduct up to \$10,000 in state and local taxes, including property taxes.

🔑 Energy Efficiency Credits

New federal income tax credits help homeowners make homes more energy-efficient to reduce energy costs and demand.

Modified Residential Clean Energy Credit³

- 📊 **How much credit can homeowners receive?**
30% of the cost of residential energy property equipment and associated labor. (limited to \$500 for each ½ kilowatt of capacity).

- ❓ **What does it cover?**
Residential energy property costs include solar electric, solar water, small wind, geothermal heat pump, biomass fuel and fuel cell equipment.

Energy Efficiency Tax Credits⁴

- 📊 **How much credit can homeowners receive?**
Up to \$3,200 annually to lower the cost of energy efficient home upgrades by up to 30%.
- ❓ **What does it cover?**
The credit applies to the costs of qualified energy efficient equipment and installation. Homeowners can claim 30% of the project cost up to the following maximums:

Improvement	Max Credit
Air Source Heat Pumps, Biomass Stoves/Boilers, Furnaces, Heat Pump Water Heaters	\$2,000
Insulation	\$1,200
Central Air Conditioners, Hot Water Boilers, Water Heaters, Windows and Skylights	\$600
Exterior Doors	\$500
Home Energy Audit	\$150

Sources:

- <https://www.irs.gov/publications/p936>
- <https://www.irs.gov/taxtopics/tc503>
- <https://www.irs.gov/forms-pubs/about-form-5695>
- <https://www.energy.gov/policy/articles/making-our-homes-more-efficient-clean-energy-tax-credits-consumers>