

25C ENERGY EFFICIENT HOME IMPROVEMENT TAX CREDIT

The 25C Energy Efficient Home Improvement Credit has been extended through 2032. This tax credit provides savings to homeowners for installing certain energy-efficient insulation, windows, doors, roofing, and other energy-savings improvements.

Beginning January 1, 2023, 25C provides a 30% tax credit up to \$1,200 to homeowners who take certain steps to make their homes more energy efficient.

Homeowners can apply for the 25C tax credit by filling out IRS Form 5695, Residential Energy Credits.

Unlike the original tax credit, homeowners can now become eligible for the credit annually. The credit also specifies that air sealing materials can qualify. Insulation and air sealing work together to maximize energy savings.

Contractors should provide the homeowner a notice that the amount of additional insulation complies with the 2021 IECC R-value recommendations for the home's climate zone. It is recommended that homeowners save this notice as well as the invoice for their tax filings.

