



# Clean Energy Tax Incentives for Individuals

The Inflation Reduction Act of 2022 (“IRA”) makes several clean energy tax credits available to individuals.  
[IRS.gov/CleanEnergy](https://www.irs.gov/CleanEnergy)



## Tax Provision

## Description

Vehicles - [IRS.gov/CleanVehicles](https://www.irs.gov/CleanVehicles)

**Credit for New Clean Vehicles**  
(§ 30D)

**For buyers of new clean vehicles that meet certain requirements, as well as buyer income and manufacturer suggested retail price limits. Learn more and see eligible vehicles at [Fuel Economy.gov](https://www.fueleconomy.gov)**  
**Credit Amount:** Up to \$7,500 for qualifying vehicles, which can be applied to the purchase price of the vehicle starting January 1, 2024.<sup>1</sup>

**Credit for Previously Owned Clean Vehicles**  
(§25E)

**For buyers of certain previously-owned clean vehicles** sold in the first transfer after 12/31/22 for \$25,000 or less. Subject to buyer income limits. Vehicles must be at least 2 model years old, be purchased from a registered dealer, and buyers must not have been allowed a 25E credit in the 3-year period prior to the sale of the qualifying vehicle. Learn more and see eligible vehicles at [Fuel Economy.gov](https://www.fueleconomy.gov)  
**Credit Amount:** The lesser of \$4,000 or 30% of sale price, which can be applied to the purchase price of the vehicle starting January 1, 2024.<sup>1</sup>

**Alternative Fuel Vehicle Refueling Property Credit**  
(§ 30C)  
*Includes Electric Vehicle Charging Equipment*

**For alternative fuel vehicle refueling and charging property, including home electric vehicle charging stations, located in low-income and non-urban areas.** Qualified fuels include electricity, ethanol, natural gas, hydrogen, and biodiesel.  
**Credit Amount:** 30% of the cost of hardware and installation up to \$1,000 for individuals; for businesses, 6% of basis and can increase to 30% if PWA is met.<sup>2</sup>

Home Energy - [IRS.gov/HomeEnergy](https://www.irs.gov/HomeEnergy)

**Energy Efficient Home Improvement Credit**  
(§ 25C)  
*See page 2 for more details.*

**Provides a tax credit for energy-efficiency improvements of residential homes**  
**Credit Amount:** 30% of cost, with limits for each type of improvement and total per year. To qualify, home improvements must meet energy efficiency standards. They must be new systems and materials. Eligible expenses include efficient heating and cooling equipment, windows, doors, heat pumps, insulation and air sealing materials. See page 2 for more information and annual limits.

**Residential Clean Energy Installation Credit**  
(§25D)

**Provides a tax credit for the purchase of residential clean energy equipment, including battery storage with capacity of at least 3 kWh.** These expenses may qualify if they meet certain energy efficiency requirements:

- Solar, wind, and geothermal power generation
- Solar water heaters
- Fuel cells
- Battery storage

**Credit Amount:** 30% of cost of equipment through 2032; 26% in 2033; 22% in 2034.

### Notes:

The information in this document may be subject to change as guidance is issued or finalized. For all IRA clean energy tax credits, please see [IRS.gov/CleanEnergy](https://www.irs.gov/CleanEnergy) for further details and eligibility requirements.

<sup>1</sup> Starting January 1, 2024, the amount of a new clean vehicle or previously owned clean vehicle tax credit can be transferred to a dealer for an equivalent reduction in the eligible vehicle’s sales price, deemed down payment, or cash.

<sup>2</sup> Credit is multiplied by 5 (from 6% to 30%) for projects that meet prevailing wages and apprenticeship requirements or other requirements.

## Equipment Type

## Tax Credit Available For 2023-2032 Tax Years

### Other Energy Efficiency Upgrades

#### Home Clean Electricity Power Generation and Storage Products

Solar Panels	30% of cost
Fuel Cells	
Wind Turbine	
Battery Storage	

#### Heating, Cooling, and Water Heating

Heat pumps (note: heat pumps also provide air conditioning)	30% of cost, up to \$2,000 per year
Heat pump water heaters	
Biomass stoves	
Geothermal heat pumps	
Solar (water heating)	30% of cost
Efficient air conditioners*	30% of cost, up to \$600
Efficient heating equipment*	
Efficient water heating equipment*	30% of cost, up to \$600

#### Other Energy Efficiency Upgrades

(Electric panel or circuit upgrades for new electric equipment*	30% of cost, up to \$600
Building Envelope (including insulation materials and air sealing)*	30% of cost
Windows, including skylights*	30% of cost, up to \$600
Exterior doors*	30% of cost, up to \$500 for doors (up to \$250 each)
Home Energy Audits*	30% of cost, up to \$150

#### Electric Vehicle Charging Equipment

Home Electric Vehicle Charger	30% of cost, up to \$1,000
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#### Notes:

\* Subject to the Energy Efficient Home Improvement credit's total annual credit limit of \$1,200. There is a separate annual \$2,000 limit for heat pumps. Credit capped at \$600 for "energy property," e.g. efficient heating and cooling equipment; \$600 for windows; \$250 per door, \$500 total for doors; \$2,000 for heat pumps; \$1,200 for qualified energy efficiency improvements to the building envelope, including insulation and air sealing. \$150 credit for home energy audits.