

effect as if included in the provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 [Pub. L. 107-16] to which they relate.”

EFFECTIVE DATE

Amendment by section 618(b)(1) of Pub. L. 107-16 inapplicable to taxable years beginning during 2004 or 2005, see section 312(b)(2) of Pub. L. 108-311, set out as an Effective Date of 2001 Amendment note under section 23 of this title.

Amendment by section 618(b)(1) of Pub. L. 107-16 inapplicable to taxable years beginning during 2002 and 2003, see section 601(b)(2) of Pub. L. 107-147, set out as an Effective Date of 2001 Amendment note under section 23 of this title.

Amendment by section 618(b)(1) of Pub. L. 107-16 applicable to taxable years beginning after Dec. 31, 2001, see section 618(d) of Pub. L. 107-16, set out as an Effective Date of 2001 Amendment note under section 24 of this title.

§ 25C. Energy efficient home improvement credit

(a) Allowance of credit

In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 30 percent of the sum of—

- (1) the amount paid or incurred by the taxpayer for qualified energy efficiency improvements installed during such taxable year,
- (2) the amount of the residential energy property expenditures paid or incurred by the taxpayer during such taxable year, and
- (3) the amount paid or incurred by the taxpayer during the taxable year for home energy audits.

(b) Limitations

(1) In general

The credit allowed under this section with respect to any taxpayer for any taxable year shall not exceed \$1,200.

(2) Energy property

The credit allowed under this section by reason of subsection (a)(2) with respect to any taxpayer for any taxable year shall not exceed, with respect to any item of qualified energy property, \$600.

(3) Windows

The credit allowed under this section by reason of subsection (a)(1) with respect to any taxpayer for any taxable year shall not exceed, in the aggregate with respect to all exterior windows and skylights, \$600.

(4) Doors

The credit allowed under this section by reason of subsection (a)(1) with respect to any taxpayer for any taxable year shall not exceed—

- (A) \$250 in the case of any exterior door, and
- (B) \$500 in the aggregate with respect to all exterior doors.

(5) Heat pump and heat pump water heaters; biomass stoves and boilers

Notwithstanding paragraphs (1) and (2), the credit allowed under this section by reason of subsection (a)(2) with respect to any taxpayer for any taxable year shall not, in the aggregate, exceed \$2,000 with respect to amounts

paid or incurred for property described in clauses (i) and (ii) of subsection (d)(2)(A) and in subsection (d)(2)(B).

(6) Home energy audits

(A) Dollar limitation

The amount of the credit allowed under this section by reason of subsection (a)(3) shall not exceed \$150.

(B) Substantiation requirement

No credit shall be allowed under this section by reason of subsection (a)(3) unless the taxpayer includes with the taxpayer's return of tax such information or documentation as the Secretary may require.

(c) Qualified energy efficiency improvements

For purposes of this section—

(1) In general

The term “qualified energy efficiency improvements” means any energy efficient building envelope component, if—

- (A) such component is installed in or on a dwelling unit located in the United States and owned and used by the taxpayer as the taxpayer's principal residence (within the meaning of section 121),
- (B) the original use of such component commences with the taxpayer, and
- (C) such component reasonably can be expected to remain in use for at least 5 years.

(2) Energy efficient building envelope component

The term “energy efficient building envelope component” means a building envelope component which meets—

- (A) in the case of an exterior window or skylight, Energy Star most efficient certification requirements,
- (B) in the case of an exterior door, applicable Energy Star requirements, and
- (C) in the case of any other component, the prescriptive criteria for such component established by the most recent International Energy Conservation Code standard in effect as of the beginning of the calendar year which is 2 years prior to the calendar year in which such component is placed in service.

(3) Building envelope component

The term “building envelope component” means—

- (A) any insulation material or system, including air sealing material or system, which is specifically and primarily designed to reduce the heat loss or gain of a dwelling unit when installed in or on such dwelling unit,
- (B) exterior windows (including skylights), and
- (C) exterior doors.

(4) Manufactured homes included

The term “dwelling unit” includes a manufactured home which conforms to Federal Manufactured Home Construction and Safety Standards (part 3280 of title 24, Code of Federal Regulations).

(d) Residential energy property expenditures

For purposes of this section—

(1) In general

The term “residential energy property expenditures” means expenditures made by the taxpayer for qualified energy property which is—

- (A) installed on or in connection with a dwelling unit located in the United States and used as a residence by the taxpayer, and
- (B) originally placed in service by the taxpayer.

Such term includes expenditures for labor costs properly allocable to the onsite preparation, assembly, or original installation of the property.

(2) Qualified energy property

The term “qualified energy property” means any of the following:

(A) Any of the following which 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 in which the property is placed in service:

- (i) An electric or natural gas heat pump water heater.
- (ii) An electric or natural gas heat pump.
- (iii) A central air conditioner.
- (iv) A natural gas, propane, or oil water heater.
- (v) A natural gas, propane, or oil furnace or hot water boiler.

(B) A biomass stove or boiler which—

- (i) uses the burning of biomass fuel to heat a dwelling unit located in the United States and used as a residence by the taxpayer, or to heat water for use in such a dwelling unit, and
- (ii) has a thermal efficiency rating of at least 75 percent (measured by the higher heating value of the fuel).

(C) Any oil furnace or hot water boiler which—

- (i) is placed in service after December 31, 2022, and before January 1, 2027, and—
 - (I) meets or exceeds 2021 Energy Star efficiency criteria, and
 - (II) is rated by the manufacturer for use with fuel blends at least 20 percent of the volume of which consists of an eligible fuel, or
- (ii) is placed in service after December 31, 2026, and—
 - (I) achieves an annual fuel utilization efficiency rate of not less than 90, and
 - (II) is rated by the manufacturer for use with fuel blends at least 50 percent of the volume of which consists of an eligible fuel.

(D) Any improvement to, or replacement of, a panelboard, sub-panelboard, branch circuits, or feeders which—

- (i) is installed in a manner consistent with the National Electric Code,
- (ii) has a load capacity of not less than 200 amps,
- (iii) is installed in conjunction with—
 - (I) any qualified energy efficiency improvements, or

(II) any qualified energy property described in subparagraphs (A) through (C) for which a credit is allowed under this section for expenditures with respect to such property, and

- (iv) enables the installation and use of any property described in subclause (I) or (II) of clause (iii).

(3) Eligible fuel

For purposes of paragraph (2), the term “eligible fuel” means—

- (A) biodiesel and renewable diesel (within the meaning of section 40A), and
- (B) second generation biofuel (within the meaning of section 40).

(e) Home energy audits

For purposes of this section, the term “home energy audit” means an inspection and written report with respect to a dwelling unit located in the United States and owned or used by the taxpayer as the taxpayer’s principal residence (within the meaning of section 121) which—

- (1) identifies the most significant and cost-effective energy efficiency improvements with respect to such dwelling unit, including an estimate of the energy and cost savings with respect to each such improvement, and
- (2) is conducted and prepared by a home energy auditor that meets the certification or other requirements specified by the Secretary in regulations or other guidance (as prescribed by the Secretary not later than 365 days after the date of the enactment of this subsection).

(f) Special rules

For purposes of this section—

(1) Application of rules

Rules similar to the rules under paragraphs (4), (5), (6), (7), and (8) of section 25D(e) shall apply.

(2) Joint ownership of energy items**(A) In general**

Any expenditure otherwise qualifying as an expenditure under this section shall not be treated as failing to so qualify merely because such expenditure was made with respect to two or more dwelling units.

(B) Limits applied separately

In the case of any expenditure described in subparagraph (A), the amount of the credit allowable under subsection (a) shall (subject to paragraph (1)) be computed separately with respect to the amount of the expenditure made for each dwelling unit.

(3) Property financed by subsidized energy financing

For purposes of determining the amount of expenditures made by any individual with respect to any property, there shall not be taken into account expenditures which are made from subsidized energy financing (as defined in section 48(a)(4)(C)).

(g) Basis adjustments

For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the

basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.

(h) Termination

This section shall not apply with respect to any property placed in service—

- (1) after December 31, 2007, and before January 1, 2009, or
- (2) after December 31, 2032.

(Added Pub. L. 109–58, title XIII, § 1333(a), Aug. 8, 2005, 119 Stat. 1026; amended Pub. L. 109–135, title IV, § 412(b), Dec. 21, 2005, 119 Stat. 2636; Pub. L. 110–172, § 11(a)(2), Dec. 29, 2007, 121 Stat. 2484; Pub. L. 110–343, div. B, title III, § 302(a)–(e), Oct. 3, 2008, 122 Stat. 3844, 3845; Pub. L. 111–5, div. B, title I, §§ 1103(b)(2)(A), 1121(a)–(e), Feb. 17, 2009, 123 Stat. 320, 322–324; Pub. L. 111–312, title VII, § 710(a), (b), Dec. 17, 2010, 124 Stat. 3314; Pub. L. 112–240, title IV, § 401(a), Jan. 2, 2013, 126 Stat. 2337; Pub. L. 113–295, div. A, title I, § 151(a), Dec. 19, 2014, 128 Stat. 4021; Pub. L. 114–113, div. Q, title I, § 181(a), (b), Dec. 18, 2015, 129 Stat. 3072; Pub. L. 115–123, div. D, title I, § 40401(a), Feb. 9, 2018, 132 Stat. 148; Pub. L. 115–141, div. U, title IV, § 401(a)(4)–(6), Mar. 23, 2018, 132 Stat. 1184; Pub. L. 116–94, div. Q, title I, § 123(a), (b), Dec. 20, 2019, 133 Stat. 3231; Pub. L. 116–260, div. EE, title I, §§ 141(a), 148(b)(3), Dec. 27, 2020, 134 Stat. 3054, 3055; Pub. L. 117–169, title I, §§ 13301(a)–(f)(3)(A), (g)(1), (h)(1), 13704(b)(1), Aug. 16, 2022, 136 Stat. 1941–1946, 2002.)

AMENDMENT OF SECTION

Pub. L. 117–169, title I, § 13704(b)(1), (c), Aug. 16, 2022, 136 Stat. 2002, 2003, provided that, applicable to transportation fuel produced after Dec. 31, 2024, subsection (d)(3) of this section is amended by striking “and” at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting “, and”, and by adding at the end the following new subparagraph:

(C) transportation fuel (as defined in section 45Z(d)(5)).

See 2022 Amendment note below.

Pub. L. 117–169, title I, § 13301(g)(1), (i)(3), Aug. 16, 2022, 136 Stat. 1941, 1946, provided that, applicable to property placed in service after Dec. 31, 2024, this section is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

(h) Product identification number requirement

(1) In general

No credit shall be allowed under subsection (a) with respect to any item of specified property placed in service after December 31, 2024, unless—

(A) such item is produced by a qualified manufacturer, and

(B) the taxpayer includes the qualified product identification number of such item on the return of tax for the taxable year.

(2) Qualified product identification number

For purposes of this section, the term “qualified product identification number” means, with respect to any item of specified property, the product identification number assigned to such item by

the qualified manufacturer pursuant to the methodology referred to in paragraph (3).

(3) Qualified manufacturer

For purposes of this section, the term “qualified manufacturer” means any manufacturer of specified property which enters into an agreement with the Secretary which provides that such manufacturer will—

(A) assign a product identification number to each item of specified property produced by such manufacturer utilizing a methodology that will ensure that such number (including any alphanumeric) is unique to each such item (by utilizing numbers or letters which are unique to such manufacturer or by such other method as the Secretary may provide),

(B) label such item with such number in such manner as the Secretary may provide, and

(C) make periodic written reports to the Secretary (at such times and in such manner as the Secretary may provide) of the product identification numbers so assigned and including such information as the Secretary may require with respect to the item of specified property to which such number was so assigned.

(4) Specified property

For purposes of this subsection, the term “specified property” means any qualified energy property and any property described in subparagraph (B) or (C) of subsection (c)(3).

See 2022 Amendment note below.

Editorial Notes

AMENDMENTS

2022—Pub. L. 117–169, § 13301(h)(1), substituted “Energy efficient home improvement credit” for “Nonbusiness energy property” in section catchline.

Subsec. (a). Pub. L. 117–169, § 13301(b), amended subsec. (a) generally. Prior to amendment, text read as follows: “In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

“(1) 10 percent of the amount paid or incurred by the taxpayer for qualified energy efficiency improvements installed during such taxable year, and

“(2) the amount of the residential energy property expenditures paid or incurred by the taxpayer during such taxable year.”

Subsec. (a)(3). Pub. L. 117–169, § 13301(f)(1), added par. (3).

Subsec. (b). Pub. L. 117–169, § 13301(c), amended subsec. (b) generally. Prior to amendment, text read as follows:

“(1) LIFETIME LIMITATION.—The credit allowed under this section with respect to any taxpayer for any taxable year shall not exceed the excess (if any) of \$500 over the aggregate credits allowed under this section with respect to such taxpayer for all prior taxable years ending after December 31, 2005.

“(2) WINDOWS.—In the case of amounts paid or incurred for components described in subsection (c)(3)(B) by any taxpayer for any taxable year, the credit allowed under this section with respect to such amounts for such year shall not exceed the excess (if any) of \$200 over the aggregate credits allowed under this section with respect to such amounts for all prior taxable years ending after December 31, 2005.

“(3) LIMITATION ON RESIDENTIAL ENERGY PROPERTY EXPENDITURES.—The amount of the credit allowed under this section by reason of subsection (a)(2) shall not exceed—

“(A) \$50 for any advanced main air circulating fan,

“(B) \$150 for any qualified natural gas, propane, or oil furnace or hot water boiler, and

“(C) \$300 for any item of energy-efficient building property.”

Subsec. (b)(6). Pub. L. 117-169, §13301(f)(2), added par. (6).

Subsec. (c)(2). Pub. L. 117-169, §13301(d)(1), substituted “meets—” and subpars. (A) to (C) for “meets—” and former subpars. (A) to (C) which read as follows:

“(A) applicable Energy Star program requirements, in the case of a roof or roof products,

“(B) version 6.0 Energy Star program requirements, in the case of an exterior window, a skylight, or an exterior door, and

“(C) the prescriptive criteria for such component established by the 2009 International Energy Conservation Code, as such Code (including supplements) is in effect on the date of the enactment of the American Recovery and Reinvestment Tax Act of 2009, in the case of any other component.”

Subsec. (c)(3)(A). Pub. L. 117-169, §13301(d)(3), inserted “, including air sealing material or system,” after “material or system”.

Subsec. (c)(3)(D). Pub. L. 117-169, §13301(d)(2), struck out subpar. (D) which read as follows: “any metal roof or asphalt roof installed on a dwelling unit, but only if such roof has appropriate pigmented coatings or cooling granules which are specifically and primarily designed to reduce the heat gain of such dwelling unit.”

Subsec. (d). Pub. L. 117-169, §13301(e), amended subsec. (d) generally. Prior to amendment, subsec. (d) related to residential energy property expenditures and defined the terms “residential energy property expenditures”, “qualified energy property” and applicable standards, “energy-efficient building property”, “qualified natural gas, propane, or oil furnace or hot water boiler”, and “advanced main air circulating fan”.

Subsec. (d)(3)(C). Pub. L. 117-169, §13704(b)(1), added subpar. (C).

Subsecs. (e) to (g). Pub. L. 117-169, §13301(f)(3)(A), added subsec. (e) and redesignated former subsecs. (e) and (f) as (f) and (g), respectively. Former subsec. (g) redesignated (h).

Subsec. (g)(2). Pub. L. 117-169, §13301(a), substituted “December 31, 2032” for “December 31, 2021”.

Subsec. (h). Pub. L. 117-169, §13301(g)(1), added subsec. (h). Former subsec. (h) redesignated (i).

Pub. L. 117-169, §13301(f)(3)(A), redesignated subsec. (g) as (h).

Subsec. (i). Pub. L. 117-169, §13301(g)(1), redesignated subsec. (h) as (i).

2020—Subsec. (d)(3)(E). Pub. L. 116-260, §148(b)(3)(A), struck out subpar. (E) which read as follows: “a stove which uses the burning of biomass fuel to heat a dwelling unit located in the United States and used as a residence by the taxpayer, or to heat water for use in such a dwelling unit, and which has a thermal efficiency rating of at least 75 percent.”

Subsec. (d)(6). Pub. L. 116-260, §148(b)(3)(B), struck out par. (6). Text read as follows: “The term ‘biomass fuel’ means any plant-derived fuel available on a renewable or recurring basis, including agricultural crops and trees, wood and wood waste and residues (including wood pellets), plants (including aquatic plants), grasses, residues, and fibers.”

Subsec. (g)(2). Pub. L. 116-260, §141(a), substituted “December 31, 2021” for “December 31, 2020”.

2019—Subsec. (d)(3)(A). Pub. L. 116-94, §123(b)(1), substituted “a Uniform Energy Factor of at least 2.2” for “an energy factor of at least 2.0”.

Subsec. (d)(3)(D). Pub. L. 116-94, §123(b)(2), substituted “a Uniform Energy Factor” for “an energy factor”.

Subsec. (g)(2). Pub. L. 116-94, §123(a), substituted “December 31, 2020” for “December 31, 2017”.

2018—Subsec. (b)(2). Pub. L. 115-141, §401(a)(4), substituted “subsection (c)(3)(B)” for “subsection (c)(2)(B)”.

Subsec. (d)(3)(B). Pub. L. 115-141, §401(a)(5)(A), substituted comma for period at end.

Subsec. (d)(3)(D). Pub. L. 115-141, §401(a)(5)(B), substituted “, and” for period at end.

Subsec. (g)(2). Pub. L. 115-141, §401(a)(6), substituted “2017.” for “2017.”

Pub. L. 115-123 substituted “December 31, 2017” for “December 31, 2016”.

2015—Subsec. (c)(1). Pub. L. 114-113, §181(b)(1), struck out “which meets the prescriptive criteria for such component established by the 2009 International Energy Conservation Code, as such Code (including supplements) is in effect on the date of the enactment of the American Recovery and Reinvestment Tax Act of 2009 (or, in the case of an exterior window, a skylight, an exterior door, a metal roof with appropriate pigmented coatings, or an asphalt roof with appropriate cooling granules, which meet the Energy Star program requirements)” after “envelope component” in introductory provisions.

Subsec. (c)(2) to (4). Pub. L. 114-113, §181(b)(2), added par. (2) and redesignated former pars. (2) and (3) as (3) and (4), respectively.

Subsec. (g)(2). Pub. L. 114-113, §181(a), substituted “December 31, 2016” for “December 31, 2014”.

2014—Subsec. (g)(2). Pub. L. 113-295 substituted “December 31, 2014” for “December 31, 2013”.

2013—Subsec. (g)(2). Pub. L. 112-240 substituted “December 31, 2013” for “December 31, 2011”.

2010—Subsecs. (a), (b). Pub. L. 111-312, §710(b)(1), amended subsecs. (a) and (b) generally. Prior to amendment, subsecs. (a) and (b) read as follows:

“(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 30 percent of the sum of—

“(1) the amount paid or incurred by the taxpayer during such taxable year for qualified energy efficiency improvements, and

“(2) the amount of the residential energy property expenditures paid or incurred by the taxpayer during such taxable year.

“(b) LIMITATION.—The aggregate amount of the credits allowed under this section for taxable years beginning in 2009 and 2010 with respect to any taxpayer shall not exceed \$1,500.”

Subsec. (c)(1). Pub. L. 111-312, §710(b)(2)(D)(ii), inserted “an exterior window, a skylight, an exterior door,” after “in the case of” in introductory provisions.

Pub. L. 111-312, §710(b)(2)(A), in introductory provisions, substituted “2009 International Energy Conservation Code, as such Code (including supplements) is in effect on the date of the enactment of the American Recovery and Reinvestment Tax Act of 2009” for “2000 International Energy Conservation Code, as such Code (including supplements) is in effect on the date of the enactment of this section”.

Subsec. (c)(2)(A). Pub. L. 111-312, §710(b)(2)(E), struck out “and meets the prescriptive criteria for such material or system established by the 2009 International Energy Conservation Code, as such Code (including supplements) is in effect on the date of the enactment of the American Recovery and Reinvestment Tax Act of 2009” after “on such dwelling unit”.

Subsec. (c)(4). Pub. L. 111-312, §710(b)(2)(D)(i), struck out par. (4). Text read as follows: “Such term shall not include any component described in subparagraph (B) or (C) of paragraph (2) unless such component is equal to or below a U factor of 0.30 and SHGC of 0.30.”

Subsec. (d)(2)(A)(ii). Pub. L. 111-312, §710(b)(2)(C)(ii), amended cl. (ii) generally. Prior to amendment, cl. (ii) read as follows: “any qualified natural gas furnace, qualified propane furnace, qualified oil furnace, qualified natural gas hot water boiler, qualified propane hot water boiler, or qualified oil hot water boiler, or”.

Subsec. (d)(3)(E). Pub. L. 111-312, §710(b)(2)(B), struck out “, as measured using a lower heating value” after “75 percent”.

Subsec. (d)(4). Pub. L. 111-312, §710(b)(2)(C)(i), amended par. (4) generally. Prior to amendment, par. (4) defined the terms “qualified natural gas furnace”, “qualified natural gas hot water boiler”, “qualified propane furnace”, “qualified propane hot water boiler”, “qualified oil furnace”, and “qualified oil hot water boiler”.

Subsec. (e)(3). Pub. L. 111-312, §710(b)(3), added par. (3).

Subsec. (g)(2). Pub. L. 111-312, §710(a), substituted “2011” for “2010”.

2009—Subsecs. (a), (b). Pub. L. 111-5, §1121(a), added subsecs. (a) and (b) and struck out former subsecs. (a) and (b) which related to credit equal to the sum of 10 percent of the amount paid for qualified energy efficiency improvements and the amount of energy property expenditures and provided limits on credits and expenditures.

Subsec. (c)(2)(A). Pub. L. 111-5, §1121(d)(2), inserted “and meets the prescriptive criteria for such material or system established by the 2009 International Energy Conservation Code, as such Code (including supplements) is in effect on the date of the enactment of the American Recovery and Reinvestment Tax Act of 2009” after “such dwelling unit”.

Subsec. (c)(4). Pub. L. 111-5, §1121(d)(1), added par. (4).

Subsec. (d)(2)(A)(ii). Pub. L. 111-5, §1121(c)(2), amended cl. (ii) generally. Prior to amendment, cl. (ii) read as follows: “a qualified natural gas, propane, or oil furnace or hot water boiler, or”.

Subsec. (d)(3)(B). Pub. L. 111-5, §1121(b)(1), amended subpar. (B) generally. Prior to amendment, subpar. (B) read as follows: “an electric heat pump which has a heating seasonal performance factor (HSPF) of at least 9, a seasonal energy efficiency ratio (SEER) of at least 15, and an energy efficiency ratio (EER) of at least 13.”

Subsec. (d)(3)(C). Pub. L. 111-5, §1121(b)(2), substituted “2009” for “2006”.

Subsec. (d)(3)(D). Pub. L. 111-5, §1121(b)(3), amended subpar. (D) generally. Prior to amendment, subpar. (D) read as follows: “a natural gas, propane, or oil water heater which has an energy factor of at least 0.80 or a thermal efficiency of at least 90 percent, and”.

Subsec. (d)(3)(E). Pub. L. 111-5, §1121(b)(4), inserted “, as measured using a lower heating value” after “75 percent”.

Subsec. (d)(4). Pub. L. 111-5, §1121(c)(1), amended par. (4) generally. Prior to amendment, text read as follows: “The term ‘qualified natural gas, propane, or oil furnace or hot water boiler’ means a natural gas, propane, or oil furnace or hot water boiler which achieves an annual fuel utilization efficiency rate of not less than 95.”

Subsec. (e)(1). Pub. L. 111-5, §1103(b)(2)(A), substituted “and (8)” for “(8), and (9)”.

Subsec. (g)(2). Pub. L. 111-5, §1121(e), substituted “December 31, 2010” for “December 31, 2009”.

2008—Subsec. (c)(1). Pub. L. 110-343, §302(e)(1), in introductory provisions, inserted “, or an asphalt roof with appropriate cooling granules,” before “which meet the Energy Star program requirements”.

Subsec. (c)(2)(D). Pub. L. 110-343, §302(e)(2), inserted “or asphalt roof” after “metal roof” and “or cooling granules” after “pigmented coatings”.

Subsec. (d)(2)(C). Pub. L. 110-343, §302(d)(2), amended heading and text of subpar. (C) generally. Prior to amendment, subpar. (C) related to requirements for standards for central air conditioners, electric heat pumps, and geothermal heat pumps.

Subsec. (d)(3)(C), (D). Pub. L. 110-343, §302(d)(1), redesignated subpars. (D) and (E) as (C) and (D), respectively, and struck out former subpar. (C) which read as follows: “a geothermal heat pump which—

“(i) in the case of a closed loop product, has an energy efficiency ratio (EER) of at least 14.1 and a heating coefficient of performance (COP) of at least 3.3,

“(ii) in the case of an open loop product, has an energy efficiency ratio (EER) of at least 16.2 and a heating coefficient of performance (COP) of at least 3.6, and

“(iii) in the case of a direct expansion (DX) product, has an energy efficiency ratio (EER) of at least 15 and a heating coefficient of performance (COP) of at least 3.5.”

Subsec. (d)(3)(E). Pub. L. 110-343, §302(d)(1), redesignated subpar. (F) as (E). Former subpar. (E) redesignated (D).

Pub. L. 110-343, §302(c), inserted “or a thermal efficiency of at least 90 percent” after “.0.80”.

Subsec. (d)(3)(F). Pub. L. 110-343, §302(d)(1), redesignated subpar. (F) as (E).

Pub. L. 110-343, §302(b)(1), added subpar. (F).

Subsec. (d)(6). Pub. L. 110-343, §302(b)(2), added par. (6).

Subsec. (g). Pub. L. 110-343, §302(a), substituted “placed in service—” for “placed in service after December 31, 2007” and added pars. (1) and (2).

2007—Subsec. (c)(3). Pub. L. 110-172 substituted “part 3280” for “section 3280”.

2005—Subsec. (b)(2). Pub. L. 109-135 substituted “subsection (c)(2)(B)” for “subsection (c)(3)(B)”.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2022 AMENDMENT

Pub. L. 117-169, title I, §13301(i), Aug. 16, 2022, 136 Stat. 1946, provided that:

“(1) IN GENERAL.—Except as otherwise provided by this subsection, the amendments made by this section [amending this section and sections 1016 and 6213 of this title] shall apply to property placed in service after December 31, 2022.

“(2) EXTENSION OF CREDIT.—The amendments made by subsection (a) [amending this section] shall apply to property placed in service after December 31, 2021.

“(3) IDENTIFICATION NUMBER REQUIREMENT.—The amendments made by subsection (g) [amending this section and section 6213 of this title] shall apply to property placed in service after December 31, 2024.”

Amendment by section 13704(b)(1) of Pub. L. 117-169 applicable to transportation fuel produced after Dec. 31, 2024, see section 13704(c) of Pub. L. 117-169, set out as an Effective Date note under section 45Z of this title.

EFFECTIVE DATE OF 2020 AMENDMENT

Pub. L. 116-260, div. EE, title I, §141(b), Dec. 27, 2020, 134 Stat. 3054, provided that: “The amendment made by this section [amending this section] shall apply to property placed in service after December 31, 2020.”

Pub. L. 116-260, div. EE, title I, §148(c)(2), Dec. 27, 2020, 134 Stat. 3056, provided that: “The amendments made by subsection (b) [amending this section and section 25D of this title] shall apply to expenditures paid or incurred in taxable years beginning after December 31, 2020.”

EFFECTIVE DATE OF 2019 AMENDMENT

Pub. L. 116-94, div. Q, title I, §123(c), Dec. 20, 2019, 133 Stat. 3231, provided that: “The amendments made by this section [amending this section] shall apply to property placed in service after December 31, 2017.”

EFFECTIVE DATE OF 2018 AMENDMENT

Pub. L. 115-123, div. D, title I, §4040(b), Feb. 9, 2018, 132 Stat. 148, provided that: “The amendment made by this section [amending this section] shall apply to property placed in service after December 31, 2016.”

EFFECTIVE DATE OF 2015 AMENDMENT

Pub. L. 114-113, div. Q, title I, §181(c), Dec. 18, 2015, 129 Stat. 3072, provided that:

“(1) EXTENSION.—The amendment made by subsection (a) [amending this section] shall apply to property placed in service after December 31, 2014.

“(2) MODIFICATION.—The amendments made by subsection (b) [amending this section] shall apply to property placed in service after December 31, 2015.”

EFFECTIVE DATE OF 2014 AMENDMENT

Pub. L. 113-295, div. A, title I, §151(b), Dec. 19, 2014, 128 Stat. 4021, provided that: “The amendment made by this section [amending this section] shall apply to property placed in service after December 31, 2013.”

EFFECTIVE DATE OF 2013 AMENDMENT

Pub. L. 112-240, title IV, §401(b), Jan. 2, 2013, 126 Stat. 2337, provided that: “The amendment made by this sec-

tion [amending this section] shall apply to property placed in service after December 31, 2011.”

EFFECTIVE DATE OF 2010 AMENDMENT

Pub. L. 111-312, title VII, §710(c), Dec. 17, 2010, 124 Stat. 3315, provided that: “The amendments made by this section [amending this section] shall apply to property placed in service after December 31, 2010.”

EFFECTIVE DATE OF 2009 AMENDMENT

Pub. L. 111-5, div. B, title I, §1103(c), Feb. 17, 2009, 123 Stat. 321, provided that:

“(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by this section [amending this section and sections 25D and 48 to 48B of this title] shall apply to periods after December 31, 2008, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990 [Nov. 5, 1990]).

“(2) CONFORMING AMENDMENTS.—The amendments made by subparagraphs (A) and (B) of subsection (b)(2) [amending this section and section 25D of this title] shall apply to taxable years beginning after December 31, 2008.”

Pub. L. 111-5, div. B, title I, §1121(f), Feb. 17, 2009, 123 Stat. 324, provided that:

“(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section [amending this section] shall apply to taxable years beginning after December 31, 2008.

“(2) EFFICIENCY STANDARDS.—The amendments made by paragraphs (1), (2), and (3) of subsection (b) and subsections (c) and (d) shall apply to property placed in service after the date of the enactment of this Act [Feb. 17, 2009].”

EFFECTIVE DATE OF 2008 AMENDMENT

Pub. L. 110-343, div. B, title III, §302(f), Oct. 3, 2008, 122 Stat. 3845, provided that:

“(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made [by] this section [amending this section] shall apply to expenditures made after December 31, 2008.

“(2) MODIFICATION OF QUALIFIED ENERGY EFFICIENCY IMPROVEMENTS.—The amendments made by subsection (e) [amending this section] shall apply to property placed in service after the date of the enactment of this Act [Oct. 3, 2008].”

EFFECTIVE DATE

Pub. L. 109-58, title XIII, §1333(c), Aug. 8, 2005, 119 Stat. 1030, provided that: “The amendments made by this section [enacting this section and amending section 1016 of this title] shall apply to property placed in service after December 31, 2005.”

§ 25D. Residential clean energy credit

(a) Allowance of credit

In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of the applicable percentages of—

- (1) the qualified solar electric property expenditures,
- (2) the qualified solar water heating property expenditures,
- (3) the qualified fuel cell property expenditures,
- (4) the qualified small wind energy property expenditures,
- (5) the qualified geothermal heat pump property expenditures, and
- (6) the qualified battery storage technology expenditures,

made by the taxpayer during such year.

(b) Limitations

(1) Maximum credit for fuel cells

In the case of any qualified fuel cell property expenditure, the credit allowed under subsection (a) (determined without regard to subsection (c)) for any taxable year shall not exceed \$500 with respect to each half kilowatt of capacity of the qualified fuel cell property (as defined in section 48(c)(1)) to which such expenditure relates.

(2) Certification of solar water heating property

No credit shall be allowed under this section for an item of property described in subsection (d)(1) unless such property is certified for performance by the non-profit Solar Rating Certification Corporation or a comparable entity endorsed by the government of the State in which such property is installed.

(c) Carryforward of unused credit

If the credit allowable under subsection (a) exceeds the limitation imposed by section 26(a) for such taxable year reduced by the sum of the credits allowable under this subpart (other than this section), such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such succeeding taxable year.

(d) Definitions

For purposes of this section—

(1) Qualified solar water heating property expenditure

The term “qualified solar water heating property expenditure” means an expenditure for property to heat water for use in a dwelling unit located in the United States and used as a residence by the taxpayer if at least half of the energy used by such property for such purpose is derived from the sun.

(2) Qualified solar electric property expenditure

The term “qualified solar electric property expenditure” means an expenditure for property which uses solar energy to generate electricity for use in a dwelling unit located in the United States and used as a residence by the taxpayer.

(3) Qualified fuel cell property expenditure

The term “qualified fuel cell property expenditure” means an expenditure for qualified fuel cell property (as defined in section 48(c)(1), without regard to subparagraph (D) thereof) installed on or in connection with a dwelling unit located in the United States and used as a principal residence (within the meaning of section 121) by the taxpayer.

(4) Qualified small wind energy property expenditure

The term “qualified small wind energy property expenditure” means an expenditure for property which uses a wind turbine to generate electricity for use in connection with a dwelling unit located in the United States and used as a residence by the taxpayer.