INFLATION REDUCTION ACT (IRA) FACT SHEET

FOR RENTERS AND HOMEOWNERS



The IRA is the largest investment in clean energy in US history, providing direct financial support for various energy-saving initiatives.

Here's a national savings calculator to help you see what you're eligible for:

RENTER BENEFITS

- Home Electrification and Appliance Rebates and Home Efficiency Rebates are helpful to renters by lowering the cost of purchasing environmentally friendly appliances or home upgrades, including but not limited to:
  - Heat Pumps: Air Conditioner, Heater, or Dryer
  - Electric or Induction Stove
  - Electric Vehicle Charger
  - HVAC
  - Electrification Project Costs
- Depending on your income, you may be eligible for 50%-100% of an upfront discount up to $14,000 in addition to tax credit!

HOMEOWNER/LANDLORD BENEFITS

- Home Energy Efficiency Tax Credits and Energy Efficient Home Improvement Credits:
  - Everything from energy efficient appliances, to windows, insulation, and doors are eligible for a 30% tax credit.
  - You can get a $150 tax credit on home energy audits completed in the next 10 years – Households can continue receiving a tax credit to cover up to 30% of upfront costs of installing rooftop solar, geothermal, or battery storage through at least 2034!
  - Credits can cover up to $1,200 in improvements made from 2023 to 2032, and up to $2,000 for heat pumps and biomass stoves or boilers.

- **Single Family Homes**
  - The New Energy Efficient Home Credit provides a $5,000 tax credit for new single family homes that are certified under the US DOE's Zero Energy Ready Home Program or $2,500 that meet ENERGY STAR energy efficiency standards.
  - The Home Owner Managing Energy Savings (HOMES) Rebate Program provides low- and moderate-income households with rebates up to $8,000, or 80% of the overall cost, for energy efficiency upgrades depending on the level of energy savings achieved.
  - Residential Clean Energy Credits provides a tax credit towards 30% of the cost of wind, solar, battery storage, geothermal, and biomass fuel projects.
  - Home owners can receive up to $14,000 in point-of-sale, direct rebates from the High-Efficiency Electric Home Rebate Program when purchasing certain energy efficient equipment.

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- **Multi-Family Homes and Buildings**
  - The New Energy Efficient Home Credit provides a $500-5,000 tax credit per dwelling unit for reconstructed and rehabilitated multi-family homes that meet ENERGY STAR or Zero Energy Ready Home Program energy efficiency standards.
  - For multi-family homes greater than 3 stories, the Energy Efficient Commercial Buildings Deduction offsets costs of large-scale retrofits, such as heat pumps and HVAC improvements that improve energy efficiency. Retrofits must reduce energy usage by at least 25%.
  - At least 10% of the Home Energy Efficiency Rebate funds must be dedicated to helping low-income, multi-family buildings cover the costs of energy efficiency retrofits.
  - A building owner with a majority of low-income tenants who installs qualifying windows and efficient electric heat pump water heaters in each of 100 units could be eligible for rebates up to $8,000 per unit, or up to 80% of the overall cost, depending on energy savings achieved.
  - Multi-family buildings can get up to 6% in an Energy Credit for efficient electricity generation, including solar, batteries, and geothermal. Through the Low-Income Communities Bonus Credit Program, credit amounts increase when projects employ domestically-manufactured parts, low income communities are benefited from solar and wind, or there is energy community economic development.
  - The Clean Energy Investment Tax Credit covers 30% of the cost of solar installation, geothermal heat pumps, battery storage, and more!

NOT SURE WHERE TO START?

Get a Home Energy Audit. For a more efficient home that can significantly reduce your annual heating and cooling costs, start with a home energy audit, where a trained professional comes to your house and identifies the biggest areas where your house can upgrade appliances and save on energy costs.

List of home energy auditors at the Focus on Energy website here.

- Cook County Healthy Homes for Healthy Families program
- Verify with the contractor or realtor that their service/product is eligible for the tax credit. Save your receipt and you can take advantage of the tax credit when you file that tax year.
- Check with your utility company for an in-home energy efficiency consultation