# Incentives for Households and Individuals

*Using this document: This document is intended to be content uploaded onto a clean energy incentive hub. All text in <red> are instructions for web design teams on how content can be structured online. You can also find a downloadable word version of this document in English and Spanish.*

Federal rebates and tax credits can make it more affordable to make home energy efficiency upgrades, switch to an electric vehicle, or generate your own electricity at home — all of which can help you save money on your energy and vehicle bills for years to come.

**For example, with these new incentives, you could get 30% off a rooftop solar installation, $2,000 off an energy-efficient heat pump that heats and cools your home, or $1,000 off the installation of an EV charger at home.**

This page breaks down types of projects that can help you save money by making your home and commute more energy efficient and the corresponding government incentives that can save you money. Each category includes multiple incentives households may qualify for.

**Credit and Rebate Deadlines**

|  |  |
| --- | --- |
| Incentive | Incentive Availability |
| Credit for Qualified Commercial Clean Vehicles 45W | Available for vehicles acquired by September 30, 2025 |
| Clean Vehicle Credit 30D | Available for vehicles acquired by September 30, 2025 |
| Credit for Previously Owned Clean Vehicles 25E | Available for vehicles acquired by September 30, 2025 |
| Energy Efficient Home Improvement Credit 25C | Available for property placed in service by December 31, 2025 |
| Residential Clean Energy Credit 25D | Available for expenditures made by December 31, 2025 |
| Alternative Fuel Vehicle Refueling Property Credit 30C | Available for property placed in service by June 30, 2026 |
| Home Efficiency Rebate | Many states are launching rebates in 2025, check status [here](https://atlasbuildingshub.com/home-energy-rebates-tracker/https://atlasbuildingshub.com/home-energy-rebates-tracker/). |
| Home Electrification and Appliance Rebate | Many states are launching rebates in 2025, check status [here](https://atlasbuildingshub.com/home-energy-rebates-tracker/https://atlasbuildingshub.com/home-energy-rebates-tracker/). |

## I’m interested in home upgrades that reduce energy costs

Get discounts on energy-saving home upgrades with government and utility incentives. Use incentives to:

* Overhaul heating and cooling systems with a [heat pump](https://www.energy.gov/energysaver/heat-pump-systems), which helps homes more efficiently stay comfortable in any season as an energy-efficient alternative to furnaces and air conditioners
* Weatherize your home and save on energy costs with upgrades to insulation, windows, air sealing, and exterior doors
* Generate renewable energy at home with solar panels
* Swap to electric or induction stovetops to modernize your kitchen and reduce indoor air pollutants
* Purchase electric heat pump water heaters to more efficiently heat water

**Find out what discounts you qualify for today with Rewiring America’s Home Energy Incentives Calculator**

Households can use Rewiring America’s home energy incentive calculator to find ways to save money on home energy efficiency upgrades, fund weatherization improvements, and electrify your home or car. The calculator links to tax credits, incentives, and rebates available across the state.

Click [here](https://homes.rewiringamerica.org/calculator) to use the energy incentive calculator and find what's available for your home.

### Home energy upgrade incentives

Click on individual incentive names to expand for more information.

*<You can click on individual incentives (each bullet in bolded text) to expand to the more detailed information below.>*

**Energy Efficient Home Improvement Credit 25C:** A tax credit that supports improving the energy efficiency of an existing home, such as home energy audits, doors, windows, insulation, and heating and cooling equipment.

<[+] Expanded details>

**What qualifies:** The 25C tax credit is used to get money back on energy-efficient improvements in your home.

Qualified energy-efficient improvements include:

Insulation or air sealing material or system

Exterior doors

Windows and skylights

Efficient central air conditioners

Efficient natural gas, propane, or oil water heaters

Efficient natural gas, propane, or oil furnaces and hot water boilers

Electric upgrades to panelboards, subpanel boards, branch circuits, or feeders

Home energy audits

Heat pump and heat pump water heaters

Electric or natural gas heat pumps

Electric or natural gas heat pump water heaters

Biomass stoves and biomass boilers

**Incentive value**: The tax credit is 30% of qualified expenses, with specific limits determined by the project type. The maximum credit you can claim each year is $3,200 total, with $2,000 per year for qualified heat pumps, biomass stoves, or biomass boilers and $1,200 for all other energy-efficient home improvements.

The credit has no lifetime dollar limit. You can claim the maximum annual credit every year that you make eligible improvements through 2025.

|  |  |  |
| --- | --- | --- |
| Energy Efficient Home Improvement Credit (25C) Projects | | |
| Project | **Amount** | **Requirements** |
| Exterior doors | 30% of costs, up to $250 per door and $500 total; cannot include labor costs | [Energy Star Standard](https://www.energystar.gov) |
| Exterior windows and skylights | 30% of costs, $600 total; cannot include labor costs | [Energy Star Standard](https://www.energystar.gov) |
| Insulation and air sealing materials or systems | 30% of costs; 1,200 total; cannot include labor costs | International Energy Conservation Code |
| Home energy audit | $150 per year | [Department of Energy Specifications](https://www.energy.gov/eere/buildings/us-department-energy-recognized-home-energy-auditor-qualified-certification-programs) |
| Air conditioners | 30% of costs, up to $600; can include labor costs | [Consortium for Energy Efficiency (CEE) highest efficiency tier](https://www.ahrinet.org/certification/cee-directory) |
| Biomass stoves and boilers | $30% of costs, up to $2,000; can include labor costs | [Consortium for Energy Efficiency (CEE) highest efficiency tier](https://www.ahrinet.org/certification/cee-directory) |
| General appliances | 30% of costs, up to $2,000 for heat pump and biomass measures | [Consortium for Energy Efficiency (CEE) highest efficiency tier](https://www.ahrinet.org/certification/cee-directory) |
| Electric or natural gas air source heat pump | 30% of costs, up to $2,000 across all heat pumps; can include labor costs | [Consortium for Energy Efficiency (CEE) highest efficiency tier](https://www.ahrinet.org/certification/cee-directory) |
| Natural gas, propane, or oil Furnace | 30% of costs, up to $600; can include labor costs | [Consortium for Energy Efficiency (CEE) highest efficiency tier](https://www.ahrinet.org/certification/cee-directory) |
| Electric or natural gas heat pump water heater | 30% of costs, up to $2,000 across all heat pumps; can include labor costs | [Consortium for Energy Efficiency (CEE) highest efficiency tier](https://www.ahrinet.org/certification/cee-directory) |
| Gas water heater | 30% of costs, up to $600; can include labor costs | [Consortium for Energy Efficiency (CEE) highest efficiency tier](https://www.ahrinet.org/certification/cee-directory) |

This can be used with other federal incentives like the Home Efficiency Rebate and Home Electrification and Appliance Rebate, which will lower total project costs. If using rebates you must subtract their value from the project cost on your tax form. This will impact the value of the credit and the tax credit will be applied to your post-rebate cost.

**Who is eligible:**

An owner-occupied household

A tenant who pays for HVAC or energy audit in their rental home

This tax credit can only be realized as a deduction from annual taxes owed, meaning you must have tax liability greater than the value of the credit in order to receive the benefit.

The credit may not be claimed by homeowners on rental units, but they may be eligible for other incentives.

If your home is partly used for business, the credit follows a different rate, which you can find [here](https://www.irs.gov/credits-deductions/energy-efficient-home-improvement-credit).

**When the credit is available:** The 25C credit is available for property placed in service before December 31, 2025.

**How to claim the credit:** You may claim the credit when you file your tax return by submitting [Form 5695, Residential Energy Credits](https://www.irs.gov/forms-pubs/about-form-5695). You must claim the credit for the tax year when the project is installed, not purchased. The value of the credit will be reduced from the amount of taxes you owe. The credit is not refundable, so the credit amount you receive cannot exceed the amount you owe in tax.

When calculating your credit, you need to subtract rebates from your qualified property expenses because they are considered a purchase price adjustment.

Visit the federal website [here](https://www.irs.gov/credits-deductions/energy-efficient-home-improvement-credit) for more details on what qualifies and how to use the credit.

<End of expanded details>

**Residential Clean Energy Credit 25D:** A tax credit for the purchase of residential clean energy equipment, including solar and geothermal electricity generation, solar water heaters, fuel cells, and battery storage.

<[+] Expanded details>

**What qualifies:** The 25D tax credit can be used to reduce a percentage of the cost of a qualified clean energy project.

Qualified clean energy projects include:

Solar electric panels, also known as solar photovoltaics (PV systems), and associated electrical upgrades

Solar water heaters

Wind turbines

Geothermal heat pumps

Fuel cells

Battery storage technology, including electrical upgrades

Some technical specifications and standards may apply — view those [here](https://www.irs.gov/credits-deductions/residential-clean-energy-credit).

The project must meet the following criteria:

The clean energy equipment must be new, not used.

The clean energy project must be located at a residence in the United States. The credit is not restricted to a primary residence and can be claimed on any home.

The clean energy project must be purchased outright, but owners can use financing.

Leased or power purchase agreement (PPA) clean energy projects are not eligible but can instead qualify for the Clean Electricity Investment Tax Credit 48.

**Incentive value:** The credit is up to 30% of the cost of the project.

Qualified expenses factored into project cost include:

The clean energy project equipment

Sales tax on eligible expenses

Labor costs for on-site preparation, assembly, or installation of qualified equipment, and piping or wiring to connect it to the home

If state, local, or utility rebates lower the cost of your project, the tax credit is calculated after the rebate is applied. Net metering does not impact the tax credit.

If your home is partly used for business, the credit follows a [different rate.](https://www.irs.gov/credits-deductions/residential-clean-energy-credit)

**Who is eligible:**

An individual or household who installed a qualified clean energy project at their residence in the United States.

The individual does not have to be the homeowner to claim the tax credit; renters are eligible if they are the clean energy project owner and entirely or partially contributed to the cost.

**When the credit is available:** The 25D credit is available for expenditures made through December 31, 2025. Expenditures are treated as made when the original installation of the item is completed.

**How to claim the credit:** You may claim the credit when you file your tax return by submitting [Form 5695](https://www.irs.gov/forms-pubs/about-form-5695). You must claim the credit for the tax year when the project is installed, not purchased. The value of the credit will be reduced from the amount of taxes you owe. The credit is not refundable, so the credit amount you receive can’t exceed the amount you owe in taxes.

Visit the federal website [here](https://www.irs.gov/credits-deductions/residential-clean-energy-credit) for more details on what qualifies and how to use the credit.

<End of expanded details>

**Home Efficiency Rebate:** Rebates that discount the price of energy-saving home upgrades.

<[+] Expanded details>

**What qualifies:** This is a performance-based rebate for home improvements that result in a specified amount of energy savings. The value of the rebate varies by the amount of energy savings.

**Incentive value:** Your state energy office can pick one or both of the credit value structures in the chart below, either modeled or measured, to set the credit value.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Home Efficiency Rebate Amounts | | | | |
|  | **Single Family** | **Low-Income Single Family i** | **Multifamily** | **Low-Income Multifamily ii** |
| Modeled,iii 20%–35% building-wide savings | Lesser of $2,000 or 50% of project cost | Lesser of $4,000 or 80% of project cost | $2,000/dwelling unit; building maximum of $200,000 | Lesser of $4,000/dwelling unit or 80% of project cost |
| Modeled, 35%+ building-wide savings | Lesser of $4,000 or 50% of project cost | Lesser of $8,000 or 80% of project cost | $4,000/dwelling unit; building maximum of $400,000 | Lesser of $8,000/dwelling unit or 80% of project cost |
| Measured,iv 15%+ building-wide savings | Savings rate multiplied by kWh saved or 50% of the project cost v | Low-income savings rate multiplied by kWh saved or 80% of the project cost | Savings rate multiplied by kWh saved or 50% of the project cost | Low-income savings rate multiplied by kWh saved or 80% of the project cost |

I Low-Income is defined in legislative text as a household at 80% or below area median income (AMI).  
ii Multifamily low-income is defined as a multifamily building where 50%+ of the dwelling units are occupied by households at 80% or below AMI.

iii Modeled performance requires the use of a BPI-2400 compliant energy modeling software to generate a base and proposed retrofit energy model that is calibrated to historical energy usage.  
iv Measured performance rebates require the use of an approved open-source measurement and verification (M&V) software, such as OpenEE Meter. The measured performance approach does not technically require an energy model since the actual consumption pre- and post-retrofit is used to calculate rebates.

v Savings rate calculation: $2,000/(average home or multifamily building energy usage in kWh \* 0.2); Low-income savings rate: $4,000/(average home or multifamily building energy usage in kWh \* 0.2).

There is also a $200 per unit credit for contractors who complete a home efficiency rebate in state-defined disadvantaged communities.

This can be used with other federal incentives depending on the project to lower costs even more. See if your project also qualifies for the Residential Clean Energy Credit 25D or Energy Efficient Home Improvement Credit 25C.

If the modeled approach is used, this rebate can be stacked with the Home Electrification and Appliance Rebate for the same household retrofit project but can never be stacked for the same efficiency or electrification measure. If your state uses a measured approach, the credit cannot be stacked with the Home Electrification and Appliance Rebate.

**Who is eligible:** Homeowners, renters, and owners of renter-occupied single and multi-family buildings.

**When the rebate is available:** The credit is implemented by state energy offices, and they are aiming to start issuing rebates in 2025. Check on the status of the program in your state [here.](https://atlasbuildingshub.com/home-energy-rebates-tracker/)

**How to claim the rebate:** Instructions will be provided by your state energy office.

<End of expanded details>

**Home Electrification and Appliance Rebate:** A point-of-sale rebate for home electrification projects in low- and moderate-income and historically underserved households.

<[+] Expanded details>

**What qualifies:** This is a point-of-sale rebate for qualified electrification projects in low- and moderate-income and historically underserved households.

Qualified projects include:

Weatherization, including insulation, air sealing, or ventilation

Energy Star certified electric heat pumps for space heating and cooling

Energy Star certified heat pump water heaters

Energy Star heat pump clothing dryers

Energy Star electric kitchen equipment including electric and induction stove cooktop, ranges, or ovens

Electrical panels and breaker boxes

Electrical wiring

**Incentive value:** 100% of electrification project costs, up to $14,000, for low-income households, and 50% of costs, up to $14,000, for moderate-income households. There is a $500 incentive for project contractors per electrification project. Limits for specific upgrade components are as follows:

Up to $1,600 for weatherization including insulation, air sealing, or ventilation

Up to $8,000 for Energy Star certified electric heat pumps for space heating and cooling

Up to $1,750 for Energy Star certified heat pump water heaters

Up to $840 for Energy Star heat pump clothing dryers

Up to $840 for Energy Star electric kitchen equipment

Up to $4,000 for electric breaker boxes

Up to $2,500 for electric wiring

This can be used with other federal incentives depending on the project to lower costs even more. See if your project also qualifies for the Residential Clean Energy Credit 25D, Energy Efficient Home Improvement Credit 25C, and Home Efficiency Rebate. This rebate can be stacked with the Home Efficiency Rebate if it uses the modeled approach, not the measured approach, for the same household retrofit project but can never be stacked for the same efficiency or electrification measure.

**Who is eligible:**

Low-income households defined as households making less than 80% of the area median income

Moderate-income households defined as households making between 80% and 150% of the area median income

Homeowners and landlords are eligible for this rebate. Use the [Rewiring America calculator](https://homes.rewiringamerica.org/calculator) to input your information to find out if you qualify.

**When the rebate is available:** The credit is implemented by state energy offices, and they are aiming to start issuing rebates in 2025. Check on the status of the program in your state [here.](https://atlasbuildingshub.com/home-energy-rebates-tracker/)

**How to claim the rebate:** Instructions will be provided by your state energy office.

<End of expanded details>

### Can I still use these incentives if I rent my home?

Yes, many of these tax credits can be used by renters if they buy the equipment.

Renters are eligible for pieces of the following federal incentives and may be eligible for various state, local, and utility incentives as well:

* Residential Clean Energy Credit 25D
* Energy Efficient Home Improvement Credit 25C when applied to portable window-unit heat pumps
* Home Efficiency Rebate
* Home Electrification and Appliance Rebate
* Clean Vehicle Credit 30D
* Previously Used Vehicle Credit 25E
* Commercial Clean Vehicle Credit 45W
* Alternative Fuel Vehicle Refueling Property Tax Credit 30C

Incentives can be used together to maximize home improvement project savings

Many home projects are eligible for multiple incentives, and to maximize cost savings households should use, or “stack,” as many government incentives as they qualify for in their home upgrade projects. Household tax credits for energy efficiency and clean energy upgrades can often be stacked with other financial incentives, including state and local incentives.

|  |  |
| --- | --- |
| **Federal Incentives for Clean Energy Home Projects** | |
| **Project** | **Incentive Program** |
| **Home Upgrades** |  |
| Air Source Heat Pump | Home Electrification and Appliance Rebate |
| Energy Efficient Home Improvement Credit 25C |
| Home Efficiency Rebate |
| Geothermal Heat Pump | Clean Energy Tax Credit 25D |
| Home Efficiency Rebate |
| Home Electrification and Appliance Rebate |
| Heat Pump Water Heater | Home Electrification and Appliance Rebate |
| Energy Efficient Home Improvement Credit 25C |
| Home Efficiency Rebate |
| Induction Cooking Equipment | Home Electrification and Appliance Rebate |
| Home Efficiency Rebate |
| Heat Pump Clothes Dryer | Home Electrification and Appliance Rebate |
| Home Efficiency Rebate |
| **Energy Generation & Storage** |  |
| Solar | Residential Clean Energy Tax Credit 25D |
| Battery Storage | Residential Clean Energy Tax Credit 25D |
| **Weatherization** |  |
| Air Sealing | Home Electrification and Appliance Rebate |
| Home Efficiency Rebate |
| Energy Efficient Home Improvement Credit 25C |
| Insulation | Energy Efficient Home Improvement Credit 25C |
| Home Efficiency Rebate |
| Home Electrification and Appliance Rebate |
| Doors | Energy Efficient Home Improvement Credit 25C |
| Home Efficiency Rebate |
| Windows | Home Efficiency Rebate |

**Stacking Rules**

When government incentives are stacked, different program requirements must be considered and can impact the value of each credit. The federal government has published the following [guidance](https://www.irs.gov/pub/irs-drop/a-24-19.pdf) on stacking tax credits and rebates. Check income eligibility and performance requirements as they can impact what can stack together.

**Tax Credit Stacking**

Generally, [tax credits for homes](https://www.irs.gov/pub/taxpros/fs-2022-40.pdf), which include the Energy Efficient Home Improvement Credit 25C and Residential Clean Energy Property Credit 25D, can be combined with other incentives. Rebates and utility incentives must be applied before the 25C and 25D tax credits, must be incorporated into tax form paperwork, and could impact the value of the credit. Other federal and non-rebate state incentives do not impact the value of the credit.

**Utility incentives:** Generally, if a utility provides a subsidy to a customer for the purchase or installation of any energy conservation measure, the taxpayer must claim the cost of the qualifying purchase minus the utility subsidy on the tax form. Net metering compensation is not considered a subsidy.

**Rebates:** Regardless of the program administrator, rebates generally follow similar rules to utility incentives. If a rebate is provided for an energy conservation measure, the taxpayer must claim the cost of the qualifying purchase minus the rebate on the tax form. This applies for rebates provided to the household, manufacturer, distributor, or seller/installer. Federal, state, and local rebates all qualify under these rules.

**State energy efficiency incentives:** A taxpayer does not need to reduce the cost of their qualifying purchase on a tax form if the state incentive is not a rebate. While many states label their energy efficiency incentives as “rebates,” these incentives may not qualify as rebates or purchase-price adjustments under federal income tax law and could be included in the taxpayer’s gross income for federal income tax purposes. In general, rebates are nontaxable purchase price reductions if they are based on or related to the cost of the property, received from someone having a reasonable connection to the sale of the property (for example, the manufacturer, distributor, or seller/installer), and do not represent payment or compensation for services provided by the taxpayer.

**Rebate Stacking**

The Home Efficiency Rebates (HER) and Home Electrification and Appliance Rebates (HEAR) are the two main federal rebates for home improvement projects.

**Combining Federal Rebates (HER & HEAR):** The HEAR and HER rebates can be stacked for the same household retrofit ***project*** but cannot be stacked for the same efficiency or electrification ***measure***. There are additional restrictions for retrofit projects pursuing the measured savings pathway for HER:

* Only HEAR rebates for electric panel and wiring upgrades can be accessed by an address that is in the process of receiving a HER rebate using the measured savings approach.
* A household in the process of receiving a HEAR rebate associated with an energy-savings product like a heat pump cannot simultaneously receive a HER rebate using the measured savings approach (or vice versa).

**Non-federal funds:** Non-federal funds (i.e., state or local funding, utility programs, or philanthropic funds) can stack with the IRA rebates when those state, local, utility, and philanthropic program requirements do not have additional stacking restrictions.

**Federal tax credits:** The federal Energy Efficient Home Improvement Tax Credit 25C can stack with rebates. The credit is based on the cost of the applicable product after applying rebate funds.

Use the graphic provided by the [Department of Energy](https://www.energy.gov/sites/default/files/2024-01/Guidelines%20for%20Leveraging%20Other%20Funding%20Sources%20with%20Home%20Energy%20Rebates_final%20for%20Rebates%20Website_1.10.24.pdf) below to understand how HER and HEAR can be combined with other incentives.

A screenshot of a web page

Description automatically generatedSource: U.S. Department of Energy

**Stacking Example**

The following are examples of how federal, state, and utility incentives stack. Please research your own local, utility, and state incentives to find programs you may be eligible for.

|  |  |  |  |
| --- | --- | --- | --- |
| **Example of how a middle-income household would maximize utility and federal incentives for a $5,200 heat pump water heater** | | | |
| Order of Application | Funding Source | Incentive Amount | Cost of Upgrade Post Incentive |
| 1 – Submit paperwork prior to installation | Home Electrification and Appliance Rebates | 50% up to $1,750 | $3,450 |
| Installation occurs | | | |
| 2 – Submit paperwork after installation | Local electric utility incentive or state specific rebate | $ 300 | $ 3,150 |
| 3 – Submit application when filing federal taxes | Energy Efficient Home Improvement Credit 25C | $945  (30% of project cost after utility incentive, up to $2,000) | $ 2,205 |
| Total project cost after incentives | $ 2,205 | | |

## I’m interested in purchasing or leasing an electric vehicle or installing an EV charger

Using federal tax credits, you can buy or lease a clean vehicle and install electric vehicle charging at a discounted rate. Switching from gasoline to electric vehicles can save you money since EVs are typically cheaper to power and maintain.

By offsetting the purchase price with tax credits and rebates, incentives make it more affordable to:

* Purchase or lease new and used electric vehicles
* Install electric vehicle charging equipment at your home

### Electric vehicle and charger incentives

Click on individual incentive names to expand for more information.

*<You can click on individual incentives (each bullet bolded text) to expand to the more detailed information below.>*

**Clean Vehicle Credit 30D:** A credit for buyers of new clean vehicles.

<[+] Expanded details>

**What qualifies:** The 30D tax credit can be used if you buy a qualified new electric vehicle (EV) or fuel cell vehicle (FCV) from a licensed dealer (those interested in leasing should see the Qualified Commercial Clean Vehicle Tax Credit 45W).

The vehicle manufacturer’s suggested retail price can’t exceed $80,000 for vans, sport utility vehicles, and pickup trucks and $55,000 for all other vehicles. There are restrictions around vehicles’ technical and manufacturing specifications. See what models qualify [here](https://fueleconomy.gov/feg/tax2023.shtml). If the model you are interested in does not qualify, you may be able to lease the vehicle and take advantage of the 45W tax credit through your dealership.

**Incentive value:** The credit is either $3,750 or $7,500 depending on manufacturing specifications. See what models qualify [here](https://fueleconomy.gov/feg/tax2023.shtml).

**Who is eligible:**

To qualify, you must:

Buy the vehicle for your own use, not resale

Use the vehicle primarily in the United States

In addition, your modified adjusted gross income (AGI) may not exceed:

$300,000 for married filing jointly or a surviving spouse

$225,000 for heads of households

$150,000 for all other filers

**When the credit is available:** The 30D credit is available for vehicles acquired by September 30, 2025.

**How to claim the credit:**

You may claim the credit when you file your tax return, or you can transfer your credit to a registered dealer at the time of sale to reduce the amount you pay during purchase.

Check to see if the vehicle you are interested in purchasing [qualifies](https://fueleconomy.gov/feg/tax2023.shtml).

Purchase your vehicle.

Get a paper copy of the time-of-sale report when you complete your purchase from the dealer.

You can claim the credit two ways: on your own taxes or by transferring it to a dealer.

To claim the credit when you file your taxes, submit [Form 8936](https://www.irs.gov/forms-pubs/about-form-8936) when you file your tax return for the year in which you take delivery of the vehicle.

You can also transfer the credit to the dealer when you purchase the vehicle to claim the incentive right away and get a reduction off the purchase price. To do so, follow the dealership’s instructions.

Visit the federal website [here](https://www.irs.gov/credits-deductions/credits-for-new-clean-vehicles-purchased-in-2023-or-after) for more details on what qualifies and how to use the credit.

<End of expanded details>

**Credit for Previously Owned Clean Vehicles 25E:** A credit for buyers of used clean vehicles.

<[+] Expanded details>

**What qualifies:** The 25E tax credit can be used if you buy a qualified used electric vehicle (EV) or fuel cell vehicle (FCV) from a licensed dealer for $25,000 or less. The vehicle must be over two years old, previously not have been resold after August 16, 2022, and meet other technical criteria.

**Incentive value:** The credit equals 30% of the sale price up to a maximum credit of $4,000.

**Who is eligible:**

To qualify, you must:

Be an individual who bought the vehicle for use and not for resale

Not be the original owner

Not be claimed as a dependent on another person's tax return

Not have claimed another used clean vehicle credit in the 3 years before the purchase date

In addition, your modified adjusted gross income (AGI) may not exceed:

$150,000 for married filing jointly or a surviving spouse

$112,500 for heads of households

$75,000 for all other filers

**When the credit is available:** The 25E credit is available for vehicles acquired by September 30, 2025.

**How to claim the credit:**

You may claim the credit when you file your tax return, or you can transfer your credit to a registered dealer at the time of sale to reduce the amount you pay during purchase.

Check to see if the vehicle you are interested in purchasing [qualifies](https://fueleconomy.gov/feg/taxused.shtml).

Purchase your vehicle.

Get a paper copy of the time-of-sale report when you complete your purchase from the dealer.

You can claim the credit two ways: on your own taxes or by transferring it to a dealer

To claim the credit when you file your taxes, submit [Form 8936](https://www.irs.gov/forms-pubs/about-form-8936) when you file your tax return for the year in which you take delivery of the vehicle.

You can also transfer the credit to the dealer when you purchase the vehicle to claim the incentive right away and get a reduction off the purchase price. To do so, follow the dealership’s instructions.

Visit the federal website [here](https://www.irs.gov/credits-deductions/used-clean-vehicle-credit) for more details on what qualifies and how to use the credit.

<End of expanded details>

**Commercial Clean Vehicle Tax Credit 45W:** A credit for leasing a vehicle —if you lease a qualified clean vehicle through a dealer, they can pass on the savings from this tax credit to you through September 30, 2025.

<[+] Expanded details>

If you are interested in leasing an electric vehicle, speak to your dealership about getting up to $7,500 off your qualified clean vehicle lease.

As leased vehicles are owned by the dealership, dealers can purchase clean vehicles and receive the Qualified Commercial Clean Vehicle Tax Credit 45W to get up to $7,500 tax credit per vehicle. Dealers can pass these savings onto individuals who lease these vehicles.

The Clean Vehicle Tax Credit 30D has restrictions that limit the eligibility of many vehicles. However, 45W has fewer restrictions. A vehicle that may not qualify for 30D may qualify for the 45W credit, and if leasing is a desirable option, you may save money by leasing.

<End of expanded details>

**Alternative Fuel Vehicle Refueling Property Credit 30C:** A credit for buyers of electric vehicle charging infrastructure.

<[+] Expanded details>

**What qualifies:** The 30C tax credit can be used to install qualified vehicle refueling and recharging equipment for electricity, ethanol, natural gas, hydrogen, and biodiesel vehicles. Eligibility includes bidirectional charging and charging for 2- and 3-wheel vehicles.

The credit may only be used for your primary residence, which must be in an eligible census tract.

To qualify, your project must meet the following criteria:

Equipment must be new or be used for the first time, not used. The credit can only be claimed on the “[original installation](https://www.govinfo.gov/app/details/USCODE-2020-title26/USCODE-2020-title26-subtitleA-chap1-subchapA-partIV-subpartA-sec25D)” of the equipment.

The refueling station must be located at a primary residence in the United States.

This credit can also be used as a business but follows different rules.

**Incentive value:** The tax credit equals 30% of the cost with a maximum amount of $1,000 per item.

**Eligible expenses include:**

Charging equipment costs

Installation costs

**Who is eligible:** To qualify, you must have a primary residence within one of the US Department of Treasury-identified [eligible locations](https://www.irs.gov/credits-deductions/alternative-fuel-vehicle-refueling-property-credit).

**When the credit is available:** The 30C credit is available for property placed in service by June 30, 2026.

**How to claim the credit:**

[Check](https://www.irs.gov/credits-deductions/alternative-fuel-vehicle-refueling-property-credit) the to confirm your home is eligible.

Use [Form 8911](https://www.irs.gov/pub/irs-pdf/f8911.pdf) to figure out and report your credit for an alternative fuel vehicle refueling project for the tax year when the alternative fuel recharging project is operational.

Visit the federal website [here](https://www.irs.gov/credits-deductions/alternative-fuel-vehicle-refueling-property-credit) for more details on what qualifies and how to use the credit.

<End of expanded details>

## What if I’m a landlord who rents a multifamily building or builds residential properties?

Multifamily building owners and builders can also take advantage of government incentives to modernize buildings, increase efficiency, and ultimately cut costs for owners and renters. For more information on these please check out our article on incentives for businesses.

**Incentives to Consider for Multifamily Residential Buildings**

* Home Efficiency Rebate to make home efficiency retrofits
* New Energy Efficient Home Credit Section 45L to build new or substantially reconstruct homes that meet certain energy standards
* Energy Efficient Commercial Buildings Deduction 179D for commercial buildings including multifamily homes greater than 3 stories to make retrofits that result in a 25% or greater energy savings
* Clean Energy Investment Credit Energy Credit 48E & 48 to build clean electricity generation and energy efficiency equipment
* Low-Income Communities Bonus Credit Program 48E(h) and 48(e) to build solar, wind and affordable housing developments on low-income communities or on Indian land
* Alternative Fuel Vehicle Refueling Property Credit 30C to build electric vehicle charging

Find tips for rental real estate tax deductions [here.](https://www.irs.gov/businesses/small-businesses-self-employed/tips-on-rental-real-estate-income-deductions-and-recordkeeping)

*Disclaimer: None of the information presented on this website should be considered official legal or financial advice. Please contact a licensed tax professional for additional information.*