



## IRA & Electrification Webinar for HVAC Contractors Questions & Answers

### Information on tax credits and rebates for energy-efficient equipment

*When do the rebates and tax credits go into effect?*

- Tax Credit programs are administered by the Treasury and took effect as of January 1, 2023.
- Electrification and Efficiency Rebate programs are state-administered, so the timing and implementation details will vary by state. The US Department of Energy (DOE) expects the first state-run rebate programs to be up and running by late 2023 or early 2024.

*Can customers take advantage of the tax credit more than once?*

- Yes, if they are purchasing new qualifying equipment. Residential tax credits are available to be redeemed year after year.

*How can I submit a rebate application?*

- For rebates, the application processes will be determined by DOE and State guidance. These processes will be defined throughout this year and into 2024.

### Qualifying equipment and criteria for receiving rebates and credits

*What specific equipment qualifies for tax credits and rebates? What is the minimum efficiency rating for qualifying equipment?*

- For tax credits, see [this IRS FAQ](#) for information about efficiency standards and other equipment requirements.
- For the Electrification Rebates, products must meet Energy Star designation where such designation exists.

*Can you provide a list of which rebates or credits apply to each piece of equipment on the CE site?*

- Please visit [CE's IRA Guide](#) for information including Carrier and Bryant-qualified products.
- For a complete CEE directory of 25C-eligible equipment, visit [AHRI's CEE Directory](#).

*Does the Ductless Crossover meet the tax credit criteria for air conditioning and heat pumps?*

- Yes, please visit [our AHRI System Builder](#) to find out what systems qualify.

*Do you have to be totally electric to qualify for the rebate, or can it be a hybrid heat pump?*

- Hybrid heat pumps will likely qualify for the rebate in some or all cases, but it will be up to DOE and State guidance.

*Do we have to wait until the new furnaces come out in the third quarter to meet these matchups to get our customers these rebates and credits for heat pump systems that do not meet AHRI standards on real-world 3-ton and lower systems for ducted systems?*

- AHRI ratings may change as time goes on, so additional systems may qualify.

*Is there a way for a customer to get a tax credit for replacing just the heat pump unit of their system and reusing the existing coil and furnace, and if so, how can we get the AHRI certificate/ratings for these systems with older indoor equipment?*

- If the existing indoor unit is rated with the crossover outdoor unit, then it will qualify. Please reference the [CEE directory of 25-C eligible equipment](#).

*Is there a minimum efficiency criterion for qualifying heat pumps?*

- For the Electrification Rebates, products must meet Energy Star designation where such designation exists. More information on requirements and application processes will be determined by State implementation plans.

## Forms and certificates required for customers to claim tax credits

*How can contractors and homeowners apply for and receive incentives and rebates?*

- For tax credits, the IRS will release updated forms for the 2023 tax year, to be filled out by the purchaser at the time they submit their income tax returns.
- For rebates, the application processes will be determined by DOE and State guidance. These processes will be defined throughout this year and into 2024.

*Will there be a form or certificate for customers whose systems qualify for the tax credit, like the one from 2010?*

- Please see the updated [IRS FAQ](#) for guidance.

*Will there be a manufacturer's certificate or rebate document for the customer to give to their tax preparer for federal tax credits?*

- Please see the updated [IRS FAQ](#) for guidance.

## Limitations, cap, and the process for submitting qualifying information

*What is the process for contractors to receive their incentives and submit qualifying information?*

- For rebates, the application processes will be determined by DOE and State guidance. These processes will be defined through this year and into 2024.

*Is the 25C tax credit retroactive to 2022 like the 25D?*

- No. The updated program is in effect as of January 1, 2023.

*Can you explain how customers can take advantage of the 25C tax credit more than once, and what the limitations are on that?*

- A taxpayer might claim the maximum 25C credit in one year for a heat pump (\$2000 credit) and weatherization (\$1200 credit). That same customer can take advantage of 25C again in a future year, for example for a heat pump water heater or window replacements.

*Are there any limitations on using the 25C tax credit with additional state-issued rebates?*

- See page 7 [here](#).

## State-specific information on accessing rebates and credits

*When do you expect most states to have a system in place for customers to access rebates?*

- 2024.

*Is there any update on the progress of the State of Florida in offering these rebates?*

- The Florida [Office of Energy](#) is the legislatively designated state energy policy and program development office in Florida. You should contact your state energy office directly for more information.

*When will we know the qualifying income for each state?*

- By the time each state releases program guidance, likely in late 2023 or 2024.

## Project eligibility criteria for large-scale projects and multi-family homes

*Can homeowners use rebates on multiple units at one property or even multiple units at separate properties, and if so, is there a cap across all units or do they get rebate benefits for each sale?*

- For the Electrification Rebates, building owners of qualifying properties can receive rebates up to \$14K per qualifying unit. Qualifying properties are multifamily buildings with low- or moderate-income households comprising at least 50 percent of the residents.
- For the Efficiency Rebates, building owners can receive rebates up to \$4K per unit, with a maximum of \$400K per building.

*For the HOMES rebate, how do we know what is considered a "large-scale" project?*

- Efficiency rebates are intended for efficiency upgrades that are predicted to save at least 20% of the home's energy use. For more information, please see this US Department of Energy [webinar recording](#).

*Is the program available for both residential and commercial properties?*

- The rebate programs are available only for residential (single-family and multi-family) projects. There are other incentives (like 179D) available for commercial properties.

## Point of Sale, income level, and vetting processes for contractors and homeowners

*What are the income limits for qualifying for rebates and tax credits?*

- There are no income limits for non-EV tax credits.
- The Electrification Rebates cover 100 percent of electrification project costs (up to \$14,000) for low-income households (who earn less than 80 percent of their Area Median Income) and 50 percent of costs for moderate-income households (who earn between 80 and 150 percent of their Area Median Income).

*Will there be a website for the customer to check and see where they fall within the area median?*

- This will depend on DOE and State implementation.

*Can you explain the Point of Sale program, and is it given to the customer or contractor? Who pays the contractor the rebate?*

- The State or a third-party program implementer will establish the details for program implementation.