

Energy Efficient Home Improvement Credit

Congress passed the *Inflation Reduction Act of 2022*. The *Inflation Reduction Act* modified and extended the 25C tax credit for energy efficient exterior windows, skylights, and doors.

Beginning on January 1, 2023, through 2032, eligibility and monetary limits for the 25C tax credit changed significantly. The new 25C tax credit removes the \$500 lifetime limit and replaces it with a \$1,200 annual limit for all qualified products. The new tax credit will provide up to \$600 for exterior windows and skylights that meet **ENERGY STAR's Most Efficient standards**. The tax credit for exterior doors will be \$250 per door up to a \$500 annual maximum for those that meet **regular ENERGY STAR standards**. The tax credit is equal to 30% of the cost of the qualifying product. Kolbe has products that meet these criteria.

New 25C Tax Credit Summary

- The 30% tax credit is allowed for new (not used) qualifying products placed in service on or after January 1, 2023, and before January 1, 2032.
- The tax credit applies only to qualifying expenditures incurred for an existing home, or for an addition to or renovation of an existing home but does not apply to a newly constructed home.
- There are no Lifetime Limits.
- The maximum annual limit for all qualified products is \$1,200.
- The tax credit is equal to 30% of the cost of the product (installation labor is not included.)
- Exterior Windows and Skylights products: 30% of costs up to \$600 annual maximum limit for **ENERGY STAR Most Efficient** labeled products.
- Exterior Doors: 30% of costs up to \$250 per door, up to a total of \$500 annual maximum limit for applicable **regular ENERGY STAR** labeled products.
- A Manufacturers' Certification Statement letter for your personal files is encouraged by the IRS.
- A unique product identification number requirement takes effect January 1, 2025.

For more information on the Energy Star Most Efficient program by product and climate zone please visit the EPA Energy Star Most Efficient Web Site at: https://www.energystar.gov/products/most_efficient

Please note: On 10/23/2023 Energy Star Windows Version 7.0 was placed in effect which changed the requirements for regular and Most Efficient products purchased after that date. To find more information on these programs visit www.energystar.gov.

Seeking your Tax Credit:

1. Kolbe has products certified by NFRC (National Fenestration Rating Council) that meet the performance of Energy Star Most Efficient and standard Energy Star requirements. Verify the product you have chosen meets the appropriate Energy Star requirement for the climate zone they are installed in. Purchase and install your Kolbe qualifying windows or doors in your primary residence beginning January 1, 2023, through December 31, 2032.
2. Save your paid sales receipt and your product performance labels (which were applied to the products and show the NFRC U-values and SHGC ratings and Energy Star information). Product performance values can also be supplied by your dealer through a Sales Order NFRC and Energy Star product information report showing certified u-factor and SHGC ratings of the product(s) for the zone the product is installed in to be claimed for credit. Comply with all IRS requirements. Kolbe Windows & Doors cannot reprint product performance labels for tax credit verification.
3. Download a copy of Kolbe's Manufacturer's Certification Statement [here](#).
4. Claim your tax credit associated with your qualifying purchase on your Federal filing for the applicable tax year.

This is only a summary of the main elements related to the Energy Efficient Home Improvement Credit program which is related to exterior windows, skylights and doors as described in Section 25C of the internal Revenue Code as modified by the Inflation Reduction Act of 2022. Kolbe bears no responsibility for and is not providing legal or tax advice on any issue or topic related to this tax credit. Please consult your own tax advisor or the IRS to fully determine your eligibility for and to understand this tax credit.

1/20/2024