



IMPORTANT UPDATE

The proposed legislation called the "Inflation Reduction Act of 2022" contains an important update to the 45L tax credit for the HERS Rating industry.

As of the date this summary is being created (August 2, 2022) the legislation has NOT PASSED but is expected to pass between now and fall of 2022. The qualifications of the final bill may change from the proposed language.

45L UPDATE

EXPECTED FALL 2022 | AVAILABLE THROUGH 2032

RETROACTIVE PROJECTS

DWELLINGS ACQUIRED BETWEEN JAN. 1, 2022 – DEC. 31, 2022

Retroactive projects need only to meet the qualifications of the 45L as it was previously written based on 2006 IECC % targets and may receive a \$2,000 tax credit.

NEW QUALIFICATIONS AND AMOUNTS

SINGLE FAMILY HOMES: \$2500

- ▶ Homes acquired from January 1, 2023 to December 31, 2024 must meet ENERGY STAR version 3.1
- ▶ Homes acquired after January 1, 2025 must meet ENERGY STAR version 3.2 or later

DOE ZERO ENERGY READY HOME (ZERH): \$5000

- ▶ Same dates as above
- ▶ Note that this amount is not in addition to the \$2500, but a substitution

MULTI FAMILY ENERGY STAR PROJECTS: \$500 PER UNIT

- ▶ Must meet the most recent ENERGY STAR MFNC requirements. As program stringency increases, however, tax credit qualification stringency will increase accordingly
- ▶ Must meet prevailing wage requirements

ESMFNC PLUS DOE ZERO ENERGY READY HOMES: \$1000 PER UNIT

- ▶ Same dates and qualifications as ESMFNC but with the additional requirements of DOE ZERH

DOE ZERO ENERGY READY HOME QUALIFICATIONS

ZERH is not difficult to achieve but does have special requirements

- ▶ More strict HERS Score requirement
- ▶ ENERGY STAR appliances and windows
- ▶ Indoor airPLUS
- ▶ Builders and raters must be registered partners with the program
- ▶ Special requirements for ducts outside the envelope
- ▶ PV readiness may not be required based on regional or site considerations
- ▶ Enhanced water heating and delivery efficiencies
- ▶ For more information see the [DOE ZERH Requirements](#)