

Energy efficient consumer products, buildings, transportation, and energy generation save on your energy bills and improve your health and home safety. You can make your home more energy efficient by doing a home energy assessment, weatherizing, upgrading your home heating and inefficient home appliances, and switching to renewable energy sources. Additionally, these efforts lead to lowering your home greenhouse gas emissions that are heating the planet. The Inflation Reduction Act tax credits and rebate programs for consumers can help you make these steps possible. Financial assistance is often available to lower-income homeowners and renters.

## Home Energy Assessment

A home energy audit is the first step towards energy efficiency at home. It assesses your entire home and identifies problems to help you prioritize your efforts to lower energy bills and improve the comfort of your home.

**LEARN MORE:** See how to do an assessment yourself and what a professional auditor will do with the aid of more sophisticated testing equipment at: <https://www.energy.gov/energysaver/home-energy-assessments>

## Federal Energy Efficiency-Related Tax Credits

The *Energy Efficient Home Improvement Credit* offers, from 2023 through 2032, an annual aggregated tax credit of up to \$1,200 for building envelope components, home energy audits, and energy equipment meeting energy efficiency requirements.

- Building envelope components
  - exterior doors (30% of costs, up to \$250 per door, up to a total of \$500)
  - exterior windows and skylights (30% of costs, up to \$600)
  - insulation materials or systems and air sealing materials or systems (30% of costs)
- Home energy audits (30% of costs, up to \$150)
- Residential energy equipment (30% of costs, including labor, up to \$600 for each item)
  - natural gas, propane, or oil water heaters, furnaces, and hot water boilers
  - improvements to or replacements of panelboards, sub-panelboards, branch circuits, or feeders that are installed along with building envelope components or other energy equipment

Installing energy efficient electric or natural gas water heaters and heat pumps or biomass stoves and boilers have a separate annual aggregate limit of \$2,000.

- Electric or natural gas heat pump water heaters; electric or natural gas heat pumps; and biomass stoves and biomass boilers (30% of costs, including labor, up to \$2,000)

Similarly, the *Residential Clean Energy Property Credit* offers, from 2023 through 2032, an annual tax credit of 30% of costs for qualifying energy equipment expenditures (including labor, components, and fees) without an annual dollar cap. Additional tax credits will be available in 2033-2034 at a lower rate. Energy systems included are: solar panels, solar water heaters, fuel cells, wind turbines, geothermal heat pumps, and battery storage technology.

**LEARN MORE:** Credit FAQs: <https://www.irs.gov/pub/taxpros/fs-2022-40.pdf> and <https://www.energy.gov/policy/articles/making-our-homes-more-efficient-clean-energy-tax-credits-consumers>

## Federal Energy Efficiency-Related Tax Rebates

The *High-Efficiency Electric Home Rebate Act* (HEEHRA) will provide point-of-sale rebates for low to moderate income families. The rebate programs may be unavailable until the end of 2024 or in 2025.

Households at or below 80% of an area median income will receive rebates of up to a total of \$14,000. Households with incomes between 80% to 150% of the median income will receive up to half of the lower income rebate caps.

Maximum rebates include:

Heat pump	\$8,000	Heat pump hot water heater	\$1,750
Electric stove/cooktop	\$840	Heat pump clothes dryer	\$840
Electric load service center	\$4,000	Electric Wiring	\$2,500
Weatherization	\$1,600		

**LEARN MORE:** <https://www.energy.gov/scep/home-energy-rebate-programs-frequently-asked-questions> and <https://www.rewiringamerica.org/app/ira-calculator/information/high-efficiency-electric-home-rebate-heehra>

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## EV Tax Credits for New and Used Vehicles and EV Chargers

A tax credit of up to \$7,500 is available for a new “qualified plug-in EV or fuel cell electric vehicle” through 2032.

- Buyer income caps apply (<\$300,000 married filing jointly; \$225,000 head of households; \$150,000 all others)
- Vehicle manufacturer’s suggested retail prices are capped and cannot exceed:
  - \$80,000 for vans, sport utility vehicles, and pickup trucks
  - \$55,000 for other vehicles
- There are other vehicle requirements regarding battery characteristics, gross vehicle weight (GVW <14,000 lbs), being made by a qualified manufacturer, and final assembly in North America.
- Beginning in 2024, buyers can transfer their credit directly to a participating dealer, reducing the sales price.
- Businesses and tax-exempt organizations may qualify for the *Commercial Clean Vehicle Credit* of up to \$40,000.

A tax credit of 30% of cost, up to \$4,000, is available for used EVs, at least 2 years old, cost less than \$25,000, and must be purchased through a licensed dealer. Other requirements apply.

- Buyer income caps apply (<\$150,000 married filing jointly; \$112,500 head of households; \$75,000 all others)

A tax credit of 30% of cost, up to \$1,000 (including installation) for EV chargers are available for homeowners. Higher credits are available for businesses and tax-exempt entities.

**LEARN MORE:** <https://www.irs.gov/credits-deductions/credits-for-new-clean-vehicles-purchased-in-2023-or-after>; <https://www.irs.gov/credits-deductions/used-clean-vehicle-credit>; <https://www.irs.gov/credits-deductions/commercial-clean-vehicle-credit>; and for eligible EVs <https://fueleconomy.gov/feg/tax2023.shtml> or <https://afdc.energy.gov/laws/electric-vehicles-for-tax-credit> (includes vehicle identification number (VIN) confirmation system)

## Financial Assistance

The Alaska Housing Finance Corporation (AHFC) will provide free weatherization services to low-income qualifying homeowners and renters through the Alaska Community Development Corporation.

Alaska Heat Smart in Juneau and the Sitka Carbon Offset Fund, administered through the Sitka Conservation Society, are assisting low-income families with heat pump installation.

**LEARN MORE:** <http://www.alaskacdc.org/weatherization-assistance-program.html>; <https://akheatsmart.org>; and <https://www.sitkacarbonoffset.com>

## Finding Your “Area Medium Income” Level

Annually, the U.S. Department of Housing and Urban Development (HUD) estimates “area median income” for each part of the country including the Sitka City and Borough. The area median income is used by numerous programs such as the Alaska Housing Finance Corporation and the Inflation Reduction Act to set income limits for benefits. The area median income is often reported for a family of four (e.g., Sitka AMI = \$108,600). The table below lists Sitka’s median income by number of household members. These data are for FY2023. **HUD is expected to release FY2024 median incomes in April 2024.**

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SITKA—FY2023 Area Median Income by Number of Household Members

Area Median Income	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons	Each Added Family Member
	\$76,000	\$86,900	\$97,750	\$108,600	\$117,300	\$126,000	\$134,650	\$143,350	\$8,688

Source: [https://www.ahfc.us/application/files/7016/8962/7745/Alaska\\_Income\\_Limits\\_-\\_FY\\_2023\\_DOE\\_New\\_Update\\_07132023.pdf](https://www.ahfc.us/application/files/7016/8962/7745/Alaska_Income_Limits_-_FY_2023_DOE_New_Update_07132023.pdf) effective July 13, 2023.

**For Inflation Reduction Act IRS guidance updates, see <https://www.irs.gov/inflation-reduction-act-of-2022>**

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