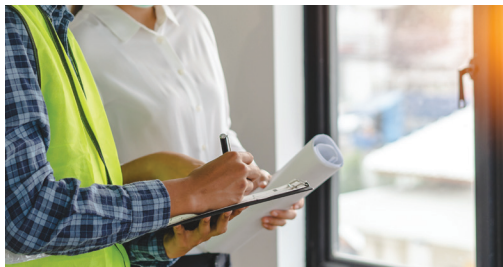


## Consumers Save with Inflation Reduction Act Tax Credits

With an estimated \$369 billion in tax credits and financing for clean energy strategies, the federal Inflation Reduction Act is the single largest U.S. investment in climate action. This funding makes pursuing clean energy solutions easier and more affordable, and much of the funding will be available for ten years. Demand across Dane County is strong, so take action now to ensure your project can be completed this season.



### Put Tax Credits to Work for Your Family

A tax credit is a dollar-for-dollar reduction in the amount of income tax you owe. You claim the credit on your annual tax return. To apply for a tax credit save the applicable receipts and submit them with any required forms. See IRS guidance for details.

If you purchase an electric vehicle or make qualifying home updates in 2023, you can claim the relevant tax credit on your 2023 tax return. Always check with your contractor or retailer before purchase to ensure eligibility.

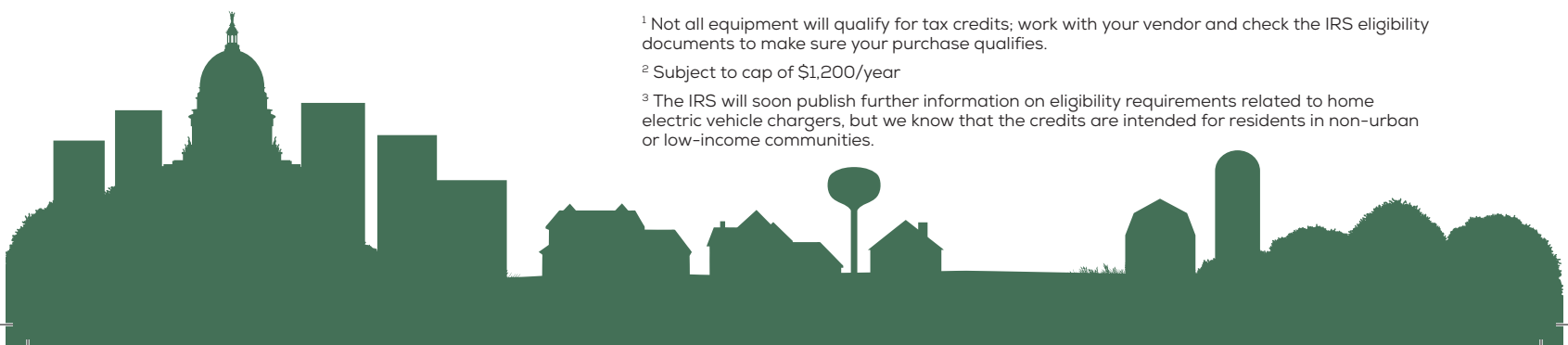
### Clean Energy Tax Credits<sup>1</sup>

Equipment Type	2023-2032 Tax Credit
Home clean electricity products	
Solar (electricity)	30% of cost
Fuel cells	
Wind turbine	
Battery storage	
Heating, cooling, and water heating	
Heat pumps	30% of cost, up to \$2,000 per year
Heat pump water heaters	
Biomass stoves	
Geothermal heat pumps	30% of cost
Solar (water heating)	
Efficient air conditioners <sup>2</sup>	30% of cost, up to \$600
Efficient heating equipment <sup>2</sup>	
Efficient water heating equipment <sup>2</sup>	
Electric vehicles	
New electric vehicles	Up to \$7,500
Used electric vehicles	Up to \$4,000
Home electric vehicle charger	30% of cost, up to \$1,000 <sup>3</sup>
Other energy efficient upgrades	
Electric panel or circuit upgrades for new electric equipment <sup>2</sup>	30% of cost, up to \$600
Insulation materials <sup>2</sup>	30% of cost
Windows, including skylights <sup>2</sup>	30% of cost, up to \$600
Exterior doors	30% of cost, up to \$500 for doors (up to \$250 each)
Home energy audits	30% of cost, up to \$150

<sup>1</sup> Not all equipment will qualify for tax credits; work with your vendor and check the IRS eligibility documents to make sure your purchase qualifies.

<sup>2</sup> Subject to cap of \$1,200/year

<sup>3</sup> The IRS will soon publish further information on eligibility requirements related to home electric vehicle chargers, but we know that the credits are intended for residents in non-urban or low-income communities.



# Wisconsin's Future Just Got Brighter

The Inflation Reduction Act could bring 20,000 new jobs into Wisconsin, as well as an estimated \$2,600 per person investment, over the course of seven years, according to the Rocky Mountain Institute. The investments will benefit households and businesses throughout Wisconsin.

The result will be a cleaner, more energy efficient, and more resilient state. Reduced air pollution will result in 100,000 fewer asthma attacks across the state by 2030, based on White House estimates. Home improvements and upgrades to affordable housing, and support for climate-smart agricultural practices will boost our state's ability to withstand flooding, extreme heat, and storm damage.



## Examples of Smart Savings with the Inflation Reduction Act



"We spent about \$450 on a home energy audit, and earned a tax credit of \$150. The audit found the efficiency improvements likely to have the most impact on our utility bills, identifying poorly insulated areas in our attic, an outdated water heater, and leaky exterior doors as the biggest culprits. We made a plan for phasing in these improvements over the next several years and will qualify for tax credits for these updates when they are complete."



"We knew our home was well-suited for a solar installation but the initial price was daunting. The Inflation Reduction Act provides a tax credit up to 30% of the cost of materials and installation, so we save on the initial cost, and get the benefit of long term energy savings."



"It's time to replace our family's car, but we thought an electric vehicle was out of our price range. With the IRA tax credits, we can purchase a used electric vehicle and get up to 30% of the vehicle's purchase price, up to \$4,000, in tax credit."

## Stay Up to Date with Dane County Climate Action Alerts

Sign up for our newsletter to stay informed about new Inflation Reduction Act announcements and other federal funding opportunities. Go to [DaneClimateAction.org/what-you-can-do](https://DaneClimateAction.org/what-you-can-do).

Information provided here is intended to be an overview of the eligible tax credits; individuals should review this information with a tax professional to ensure applicability to individual circumstances. This document does not constitute professional tax advice or other professional financial guidance and may change based on additional guidance from the Treasury Department.



[DaneClimateAction.org/what-you-can-do/federal-funding](https://DaneClimateAction.org/what-you-can-do/federal-funding)

