

INFLATION REDUCTION ACT

What is the Inflation Reduction Act?

The [Inflation Reduction Act of 2022](#) introduces substantial tax credits and rebates for customers purchasing renewable energy products, significantly reducing their overall costs.

How Does It Work?

The Residential Clean Energy Credit equals 30% of the [costs of a new, qualified clean energy](#) system for your home and business property located in the US and installed anytime from 2022 through 2032. The credit percentage rate phases down to 26 percent for equipment placed in service in 2033 and 22 percent for equipment placed in service in 2034.

The credit amount you receive can't exceed the amount you owe in tax. You can carry forward any excess unused credit and apply it to reduce the tax you owe in future years.

How Does This Apply to Me?

Taxpayers who purchase and install a qualifying, residential or business small wind system (100 kilowatts or less) may claim the Residential Renewable Energy Tax Credit for qualified expenditures on systems placed into service on or before December 31, 2034. Qualified expenditures include labor, assembly, installation, and wiring costs. The credit applies to all US homes except rental properties.

How Do I Claim the Credit?

Talk to your accountant about [Form 5695, Residential Energy Credits](#) for homeowners and [Form 8835, Renewable Electricity Production Credit](#) for businesses to claim the 30% tax credit. You must claim the credit for the tax year when the equipment is installed, not merely purchased.

The above information is provided solely for guidance as a summary of what is publicly available. We strongly advise that you consult with your accountant or tax practitioner before proceeding.