



Clean Energy Tax Credits in 2024 and Beyond: FAQ

Clean energy credits were updated with the passage of the Inflation Reduction Act in 2022. The IRA expanded energy credits, increased credit limits, and did away with lifetime limitations on the credits.

If I bought an Electric Vehicle (EV) in 2024, will I get a tax credit?

EVs and fuel cell vehicles (FCVs) purchased new in 2024 may be eligible for a federal tax credit. There are credit limitations related to where car parts are manufactured and assembled, as well as critical mineral and battery component requirements, which may reduce the credit.

You may qualify for credits on more than one new EV. You may also qualify for EVs used in your business.

If you purchased a *used* EV that's at least 2 years old from a dealer, you may also qualify for a credit.

What other restrictions are there on the EV credits?

In order to qualify for the New Clean Vehicle Credit, your Adjusted Gross Income (AGI) must be less than \$300,000 if filing jointly (\$150,000 if Single). For the Used Clean Vehicle Credit, AGI must be less than \$150,000 (MFJ) or \$75,000 (Single).

Vehicles with MSRPs of more than \$55,000 for cars or \$80,000 for trucks/vans/SUVs will not qualify for the New Clean Vehicle Credit. Sales prices of more than \$25,000 for a used car or truck will not qualify.

The credit is non-refundable and does not carryforward to future years.

Are there different credits and rules for EVs used in a business?

Yes. Businesses and tax-exempt organizations that buy a qualified commercial clean vehicle may qualify for the more generous Commercial Clean Vehicle Credit. There is no limit to the number of credits a business can claim, and any unused credit can be carried forward as a general business credit.

The maximum credit is \$7,500 for vehicles weighing less than 14,000 lbs and \$40,000 for heavier vehicles.

All these requirements are confusing. Is there a straightforward way to find out if my EV qualifies for a Clean Vehicle Credit?

Beginning in 2024, dealers are required to provide you with a Clean Vehicle Time-of-Sale report when you purchase a new or used EV or FCV. If you used your anticipated Clean Vehicle Credit to reduce the initial purchase price of the vehicle, this information will be on the dealer's report as well.

You can also look up specific vehicle models on the U.S. Department of Energy's [fueleconomy.gov](https://www.fueleconomy.gov).

What about charging stations?

Even if your EV doesn't qualify for a Clean Vehicle Credit, your charging station may qualify for an Alternative Fuel Vehicle Refueling Property Credit. The credit is 30% of the cost of the charging station and installation, up to \$1,000. To qualify, the charging station must be installed at your main home in a qualified location as determined by the U.S. Department of Energy.



How much is the credit for solar panels?

Your federal tax credit will generally be 30% of the hardware and installation costs.

What other energy-saving property qualifies for a Clean Energy credit?

If it meets the energy standards, qualifying property includes:

- Solar roof tiles
- Wind turbines
- Geothermal heat pumps
- Battery storage technology
- Fuel cells
- Battery storage technology
- Biomass fuel property (including wood stoves)
- Insulation and air-sealing material (including vapor barriers)
- Exterior doors
- Windows & skylights
- Central air conditioners
- Water heaters
- Furnaces, boilers and heat pumps
- Electrical panels

How much is the credit for non-solar-panel energy-saving property?

It varies, but between \$150-\$2,000 per year. If you are considering multiple improvements, it may be worth spreading them out across two or more calendar years to maximize the credits.

These credits are nonrefundable but do carry forward to offset taxes in future years.

Can I put solar or install energy-efficient property on a vacation or second home?

Depending on the property or improvement, you may be able to claim a credit on more than just your principal residence.

Solar panels installed on a second home will qualify for the credit.

How can I know if the property meets the proper energy standards?

The qualifications vary for each type of property. The manufacturer, if qualifying, will be able to supply you with a certificate showing that it meets the updated 2024 standards.

If you do not receive a certificate, you can look up your specific property on the [Energy Star](#) web site or in the [Consortium for Energy Efficiency](#) directory.