



# IRA TAX INCENTIVE CHART

## ELIGIBILITY FOR RESIDENTIAL DEVELOPMENT & CONSTRUCTION

DECEMBER 2023

Information about NGBS Green certification is available at [www.homeinnovation.com/green](http://www.homeinnovation.com/green). A comprehensive list of green incentives [is available here](#).

Please check the document date below to ensure this is the most recent version – the Internal Revenue Service (IRS) may provide compliance guidance that supersedes the information contained herein.

	179D Tax Deduction for Energy Efficient Buildings - General Baseline	179D Tax Deduction for Energy Efficient Buildings - Specific for Retrofits ("Alternative Deduction")	45L New Energy Efficient Home Tax Credit	45L New Energy Efficient Home Tax Credit Bonus Zero Energy	Section 48 Investment Tax Credit	30C Tax Credit for EV Charging Stations
<b>DESCRIPTION</b>	Deduction to make commercial and multifamily buildings more energy efficient.	Deduction to make commercial and multifamily buildings more energy efficient.	Credit to incentivize energy-efficient new residential construction, including multifamily.	Credit to incentivize energy-efficient new residential construction, including multifamily. Increased amount for higher efficiency properties.	Credit to encourage investments in renewable energy generation and other "clean energy" technologies.	Credit to incentivize "alternative fuel vehicle refueling property" – e.g., the installation of EV charging stations.
<b>ELIGIBILITY</b>	Buildings within scope of ASHRAE 90.1-2007 energy standard.	All building types. Buildings must be at least 5 years or older to qualify.	Newly constructed and substantially rehabilitated residential buildings. Mixed-use residential buildings must be >50% residential (dwelling units and common space).	Increased amount for single-family homes or multifamily units are certified to <a href="#">DOE ZERH program</a> .	Building eligible that installs qualifying technologies: solar to generate electricity for heating or cooling; fiber-optic solar to illuminate the inside of a structure; "small wind" and microturbines; geothermal used to produce electricity; geothermal heat pumps to heat or cool a structure; fuel cells; waste recovery; combined heat and power; energy storage (including thermal energy storage); dynamic glass; microgrid controllers; biogas property; and linear generators.	Geographic limitations apply. Must be within either: (1) Low-income or high-poverty Census tract under <a href="#">New Markets Tax Credit</a> criteria; or (2) <a href="#">Not an "urban area," as defined by U.S. Census Bureau</a> .
<b>COMPLIANCE METHOD</b>	Modeled savings at least 25% more efficient over ASHRAE 90.1 baseline to qualify for incentive on sliding scale. <a href="#">IRS Guidance details which version of ASHRAE</a> . <sup>1</sup>	Demonstrated savings at least 25% relative to the building's own specific pre-retrofit site energy usage intensity (EUI).	Certified under ENERGY STAR New Homes or ENERGY STAR Multifamily New Construction, as identified below. Dwelling unit must "meet" EPA National Program Requirements and applicable EPA regional programs (e.g., California).	Certified under DOE Zero Energy Ready Home program	Qualifying technologies "placed in service"	EV charging stations "placed in service"

<sup>1</sup> Buildings that begin construction on or after 1.1.2023 and have energy efficient property placed in service on or after 1.1.2027, ASHRAE 90.1-2019 applies. Buildings that begin construction before 1.1.2023, or are placed in service before 1.12027, ASHRAE 90.1-2007 applies.

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NEW BUILDINGS – UNDER 5-YEARS OLD <sup>2</sup>	<b>MANUFACTURED HOMES</b>	N/A -- not in ASHRAE 90.1 scope	N/A -- "new" buildings not eligible	Yes ENERGY STAR New Construction Manufactured Homes	No	Yes, if home is <b>not</b> used as the "principal residence" of taxpayer <sup>3</sup>	Yes, if home is <b>not</b> used as the "principal residence" of taxpayer
	<b>SINGLE-FAMILY HOME</b>	N/A -- not in ASHRAE 90.1 scope	N/A -- "new" buildings not eligible	Yes ENERGY STAR Single-Family New Homes	DOE Zero Energy Ready Home	Yes, if home is <b>not</b> used as the "principal residence" of taxpayer <sup>3</sup>	Yes, if home is <b>not</b> used as the "principal residence" of taxpayer
	<b>TOWNHOME</b>	N/A -- not in ASHRAE 90.1 scope	N/A -- "new" buildings not eligible	Yes ENERGY STAR Multifamily New Construction	DOE Zero Energy Ready Home	Yes, if home is <b>not</b> used as the "principal residence" of taxpayer <sup>3</sup>	Yes, if home is <b>not</b> used as the "principal residence" of taxpayer
	<b>3-STORY MULTIFAMILY</b>	N/A -- not in ASHRAE 90.1 scope	N/A -- "new" buildings not eligible	Yes ENERGY STAR Multifamily New Construction	DOE Zero Energy Ready Multifamily	Yes, if home is <b>not</b> used as the "principal residence" of taxpayer	Yes, if home is <b>not</b> used as the "principal residence" of taxpayer
	<b>4-STORY MULTIFAMILY</b>	Yes	N/A -- "new" buildings not eligible	Yes ENERGY STAR Multifamily New Construction	DOE Zero Energy Ready Multifamily	Yes, if home is <b>not</b> used as the "principal residence" of taxpayer	Yes, if home is <b>not</b> used as the "principal residence" of taxpayer
EXISTING BUILDINGS 5 YEARS OR OLDER <sup>2</sup>	<b>SINGLE-FAMILY HOME</b>	N/A -- "existing" buildings 5 years or older do not qualify under 179D "General"	Possibly -- if <b>not</b> used as residence by taxpayer. <sup>4</sup>	Gut rehabs only, ENERGY STAR Single-Family New Homes	DOE Zero Energy Ready Home	Yes, if home is <b>not</b> used as the "principal residence" of taxpayer. <sup>3</sup>	Yes, if home is <b>not</b> used as the "principal residence" of taxpayer
	<b>TOWNHOME</b>	N/A -- "existing" buildings 5 years or older do not qualify under 179D "General"	Possibly -- if <b>not</b> used as residence by taxpayer. <sup>4</sup>	Gut rehabs only, ENERGY STAR Single-Family New Homes	DOE Zero Energy Ready Home	Yes, if home is <b>not</b> used as the "principal residence" of taxpayer. <sup>3</sup>	Yes, if home is <b>not</b> used as the "principal residence" of taxpayer
	<b>3-STORY MULTIFAMILY</b>	N/A -- "existing" buildings 5 years or older do not qualify under 179D "General"	Possibly -- if <b>not</b> used as residence by taxpayer. <sup>4</sup>	Gut rehabs only, ENERGY STAR Single-Family New Homes <u>OR</u> ENERGY STAR Multifamily New Construction	DOE Zero Energy Ready Multifamily <u>OR</u> DOE Zero Energy Ready Multifamily	Yes	Yes
	<b>4-STORY MULTIFAMILY</b>	Either "General" 179D or "Retrofit" 179D -- cannot do both	Either "General" 179D or "Retrofit" 179D -- cannot do both	Gut rehabs only, ENERGY STAR Multifamily New Construction	DOE Zero Energy Ready Multifamily	Yes	Yes
	<b>BUILDING CONVERSION, COMMERCIAL TO RESIDENTIAL</b>	Either "General" 179D or "Retrofit" 179D -- cannot do both	Either "General" 179D or "Retrofit" 179D -- cannot do both	ENERGY STAR Multifamily New Construction	DOE Zero Energy Ready Multifamily	Yes, if home is <b>not</b> used as the "principal residence" of taxpayer	Yes, if home is <b>not</b> used as the "principal residence" of taxpayer

<sup>2</sup> Assumes Taxpayer Does Not Use Home as Residence

<sup>3</sup> If principal residence, see §25D tax credit for "homeowners."

<sup>4</sup> If used as a residence, see §25C tax credit for "homeowners."

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<b>STACKING: CAN BE COMBINED WITH</b>	179D Traditional	N/A	No	Yes -- If home is "new"	Yes -- If home is "new"	Yes	Yes
	179D Retrofit	No	N/A	Yes -- if home is ≥ 5 years	Yes -- if home is ≥ 5 years	Yes	Yes
	45L Tax Credit (base and/or zero energy option)	Yes - new multifamily buildings only	Yes - existing residential buildings undergoing retrofit may earn both when property is intended for rental	N/A		Yes	Yes
	Section 48	Yes	Yes	Yes		N/A	Yes
	30C	Yes	Yes	Yes		Yes	N/A
	LIHTC	Yes	Yes	Yes		Yes	Yes
	State Incentives	Yes	Yes	Yes		Yes	Yes
	HUD Green MIP Reduction	Yes	Yes	Yes		Yes	Yes
	Fannie Mae, Freddie Mac Preferred Financing	Yes	Yes	Yes		Yes	Yes
<b>AMOUNT</b>	\$0.50 to \$1.00 deduction per ft <sup>2</sup> , depending on efficiency gain (or \$2.50 to \$5.00 per ft <sup>2</sup> when prevailing wage and apprenticeship hiring requirements are met)	\$0.50 to \$1.00 deduction per ft <sup>2</sup> , depending on efficiency gain (or \$2.50 to \$5.00 per ft <sup>2</sup> when prevailing wage and apprenticeship hiring requirements are met)	Multifamily: \$500 / unit (or \$2,500 if prevailing wage requirements are met) Single-Family: \$2,500	Multifamily: \$1,000 / unit (or \$5,000 if prevailing wage requirements are met) Single-Family: \$5,000	6% of the Energy Property (can scale up to 30% of cost if prevailing wage requirements are met)	6% of the Energy Property (can scale up to 30% of cost if prevailing wage requirements are met); up to \$100,000 for each charging station or refueling pump installed at a property	
<b>BENEFICIARY</b>	Property Owner "Taxpayer"	Property Owner "Taxpayer"	Builder, Developer, or Rental Building Owner "Taxpayer"	Builder, Developer, or Owner "Taxpayer"	Property Owner "Taxpayer"	Property Owner "Taxpayer"	
<b>TRANSFERABILITY</b>	Yes – but not for private owners	Yes – but not for private owners	No	No	Yes	Yes	
<b>TIMING TO CLAIM INCENTIVE</b>	Year equipment placed into service	One year after retrofit plan achieves EUI reduction	Certification <sup>5</sup>	Certification	Year equipment placed into service	Year equipment placed into service	

Our appreciation to Duane Desiderio, Senior Vice President & Counsel, The Real Estate Roundtable, who assisted in developing this document. See The Roundtable's fact sheet on the IRA's ["Clean Energy Tax Incentives Relevant to U.S. Real Estate"](#) (Sept. 20, 2022) for more information.

<sup>5</sup> Section 45L compliance states that a dwelling unit is eligible if it "meet the requirements" of the EPA ENERGY STAR program. [IRS Guidance clarified that buildings must be certified to be eligible.](#)