



SAVE NOW — MANY FEDERAL TAX CREDITS EXPIRING 12/31/25

Interested in making residential energy efficiency or decarbonization upgrades? We encourage customers to **schedule the work now** to take advantage of additional savings before certain federal tax credits expire. Included in this year's federal legislation was the elimination of certain tax credits for building envelope improvements (windows, insulation), as well as the installation of heat pumps, electric water heaters, rooftop solar and EV chargers. Under the new law, the Energy Efficient Home Improvement Credit (26 USC 25C) expires for projects placed in service/completed after December 31, 2025, and the Residential Clean Energy Credit (26 USC 25D) expires for expenditures made after Dec. 31, 2025.

Here are some details:

- **New Clean Vehicle Tax Credit:** The \$7,500 federal tax credit for new electric vehicle purchases and leases is eliminated, effective September 30, 2025.
- **Previously-Owned Clean Vehicle Credit:** The \$4,000 credit for used EVs (or 30% of the sales price for used EVs purchased through a dealer and under \$25,000) is eliminated, effective September 30, 2025.
- **Home EV Charging Equipment Credit:** The tax credit for installing home EV charging equipment (up to \$1,000) is eliminated by June 30, 2026 (Inflation Reduction Act Alternative Fuel Refueling Property Tax Credit).
- **Home Efficiency Upgrades (Energy Efficient Home Improvement Credit - 25C):** This credit, which provides 30% of the cost of eligible home improvements up to an annual maximum of \$3,200, is eliminated by December 31, 2025.
 - **Covered items included:**
 - Certain biomass stoves and boilers
 - Electric panels and related equipment
 - Home energy audits (up to \$150)
 - Exterior doors (up to \$250 per door, \$500 total)
 - Qualified heat pumps, heat pump water heaters, and biomass stoves/boilers (up to \$2,000 for this specific category, potentially exceeding the \$1,200 annual limit for other items)
 - Insulation, air sealing, and ventilation (part of the \$1,200 annual limit for general efficiency upgrades).
- **New Energy Efficient Home Credit (45L):** This credit aimed at new construction energy efficient homes is also eliminated by the end of 2025.
- **Solar, Heat Pump Installations, and Other Residential Clean Energy (Residential Clean Energy Credit - 25D):** This credit, which provided 30% of the cost to install qualifying systems with no cap, is eliminated by December 31, 2025.
 - **Covered systems included:**
 - Solar panels (solar electric property)
 - Solar water heating property
 - Geothermal heat pumps
 - Wind energy systems
 - Biomass fuel cell property (credit limited to \$500 for each one-half kilowatt of capacity)
 - Battery storage technology

For additional information about available programs, consult <https://nextzero.org/west-boylston> and <https://irs.gov>.