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Internal Revenue Code Section 45L

New energy efficient home credit

(a) Allowance of credit.

(1) In general.

For purposes of section 38, in the case of an eligible contractor, the new energy efficient home credit for the taxable year is the applicable amount for each qualified new energy efficient home which is-

(A) constructed by the eligible contractor, and

(B) acquired by a person from such eligible contractor for use as a residence during the taxable year.

(2) Applicable amount.

For purposes of paragraph (1), the applicable amount is an amount equal to-

(A) in the case of a dwelling unit described in paragraph (1) or (2) of subsection (c), \$2,000, and

(B) in the case of a dwelling unit described in paragraph (3) of subsection (c), \$1,000.

(b) Definitions.

For purposes of this section-

(1) Eligible contractor.

The term "eligible contractor" means-

(A) the person who constructed the qualified new energy efficient home, or

(B) in the case of a qualified new energy efficient home which is a manufactured home, the manufactured home producer of such home.

(2) Qualified new energy efficient home.

The term "qualified new energy efficient home" means a dwelling unit-

(A) located in the United States,

(B) the construction of which is substantially completed after the date of the enactment of this section, and

(C) which meets the energy saving requirements of subsection (c).

(3) Construction.

The term "construction" includes substantial reconstruction and rehabilitation.

(4) Acquire.

The term "acquire" includes purchase.

(c) Energy saving requirements.

A dwelling unit meets the energy saving requirements of this subsection if such unit is-

(1) certified-

(A) to have a level of annual heating and cooling energy consumption which is at least 50 percent below the annual level of heating and cooling energy consumption of a comparable dwelling unit-

(i) which is constructed in accordance with the standards of chapter 4 of the 2006 International Energy Conservation Code, as such Code (including supplements) is in effect on January 1, 2006, and

(ii) for which the heating and cooling equipment efficiencies correspond to the minimum allowed under the regulations established by the Department of Energy pursuant to the National Appliance Energy Conservation Act of 1987 and in effect at the time of completion of construction, and

(B) to have building envelope component improvements account for at least 1/5 of such 50 percent,

(2) a manufactured home which conforms to Federal Manufactured Home Construction and Safety Standards (part 3280 of title 24, Code of Federal Regulations) and which meets the requirements of paragraph (1) , or

(3) a manufactured home which conforms to Federal Manufactured Home Construction and Safety Standards (part 3280 of title 24, Code of Federal Regulations) and which-

(A) meets the requirements of paragraph (1) applied by substituting "30 percent" for "50 percent" both places it appears therein and by substituting "1/3" for "1/5" in subparagraph (B) thereof, or

(B) meets the requirements established by the Administrator of the Environmental Protection Agency under the Energy Star Labeled Homes program.

(d) Certification.

(1) Method of certification.

A certification described in subsection (c) shall be made in accordance with guidance prescribed by the Secretary, after consultation with the Secretary of Energy. Such guidance shall specify procedures and methods for calculating energy and cost savings.

(2) Form.

Any certification described in subsection (c) shall be made in writing in a manner which specifies in readily verifiable fashion the energy efficient building envelope components and energy efficient heating or cooling equipment installed and their respective rated energy efficiency performance.

(e) Basis adjustment.

For purposes of this subtitle, if a credit is allowed under this section in connection with any expenditure for any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so determined.

(f) Coordination with investment credit.

For purposes of this section, expenditures taken into account under section 47 or 48(a) shall not be taken into account under this section.

(g) Termination.

This section shall not apply to any qualified new energy efficient home acquired after December 31, 2021.