

The Benefits of Insulating Your Home!



A more comfortable, quieter home



Lower heating and cooling bills



Improved indoor health

Upgrading your insulation and air sealing creates a more energy efficient house. This results in consistent indoor temperatures, fewer indoor drafts, and less risk of ice dams on your roof. Your heating and cooling systems will need to run less often, saving money on energy costs. Making your home more energy efficient also wastes less energy and is better for the planet!

What is the insulation tax credit?

A tax credit reduces the amount of taxes you owe. The insulation tax credit for homeowners is officially called the Energy Efficient Home Improvement Credit. It's Section 25C of the IRS tax code.

This tax credit is designed to incentivize specific home improvements that increase energy efficiency, including insulation, air sealing, and energy audits.

*As long as you owe federal taxes for the year when new insulation was put in, you can benefit! The insulation tax credit for homeowners is available to any homeowners making upgrades to their primary residences.

- Federal tax credit equal to 30% of qualifying home improvement costs
- Annual limit of \$1,200 for insulation and air sealing
- \$150 limit for energy audits
- On-site labor costs are not covered

How to Claim the Insulation Tax Credit

1 Verify Eligibility

Your contractor will verify that the insulation work performed meets the criteria for tax credit eligibility

2 Keep Your Receipts

Make sure you're given an invoice breaking down the tax-credit-eligible portion of the work. You'll need this when you or your accountant goes to file your taxes for the year in which work was done on your home.

3 File IRS Form 5695 or consult a Tax Professional*

When you file your taxes, remember your tax credit!

*We always recommend you have a tax professional prepare your taxes.

Partner with a Contractor that Knows Insulation Tax Credits

There are certain requirements that must be met for insulation upgrades to be eligible for the insulation tax credit for homeowners. This is why it's important to work with a contractor who is knowledgeable about tax credit details and can help ensure you can claim your credit.

Questions to ask your contractor:

- Will my insulation upgrades be eligible for the tax credit?
- “How much do I stand to qualify for in tax credits?”
- “Can you provide me with an itemized invoice for my tax records?”
- “Can I claim the insulation tax credit in addition to the insulation rebates?”



443-290-5182

www.cameronhomeinsulation.com

NAIMA is the association for North American manufacturers of fiberglass, rock wool, and slag wool insulation products. Its role is to promote energy efficiency and environmental preservation through the use of fiberglass, rock wool, and slag wool insulation, and to encourage the safe production and use of these materials. Through the Insulation Institute™, we leverage the collective insulation expertise of our organization and our members to empower homeowners and professionals to make informed insulation choices. Our mission is to enable a more comfortable, energy-efficient and sustainable future through insulation — and we are constantly working with building professionals, homeowners, government agencies, and public interest, energy, and environmental groups to realize that vision.

This document provides reliable information on the 25C homeowner tax credit, but it is offered for informational purposes only. NAIMA is not offering tax advice and the information provided in this document should not be relied upon as legal advice on qualifying for tax credits. Discover more insulation knowledge at InsulationInstitute.org.

Insulation Institute
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Your Guide to the Insulation Tax Credit

An introduction to the Energy Efficient Home Improvement Credit and how you can take advantage to upgrade your home.

Save up to \$1,200 per year!


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