

**Address**

3115 East Dotmar Drive  
Springfield, IL 62703

**Contact**

(217) 787-9388  
prairieinsulation.com

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# Frequently Asked Questions

## Section 25C Energy Efficient Home Improvement Credit

**What is the Section 25C Energy Efficient Home Improvement Credit?**

The Section 25C Energy Efficient Home Improvement Credit offers taxpayers an opportunity to apply for a tax credit on qualifying energy efficiency upgrades made to a primary residence, such as home insulation.

**When does the 25C program begin?**

Though the 25C Tax Credit expired in 2021, the Inflation Reduction Act (IRA) reinstated the credit retroactively for any qualifying product placed in service in 2022.

**When does the 25C program expire?**

A currently funded program, the 25C Tax Credit is funded through December 31, 2032.

**What are the eligibility requirements for the 25C Tax Credit?**

The 25C Tax Credit is available to homeowners who have purchased and installed qualifying products – such as insulation – that improve the energy efficiency of an existing primary residence in the United States.

Please note, this tax credit can only be used for an existing primary residence and DOES NOT apply to new construction or rentals. The credit CANNOT be applied to installation costs.

Additionally, the product must have been placed into service during the taxable year to qualify for the 25C Tax Credit.

Visit [www.irs.gov/instructions/i5695](https://www.irs.gov/instructions/i5695) for more information, including definitions, extensions, and eligibility updates.

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### **Which insulation products qualify for the 25C Tax Credit?**

Any bulk insulation product may qualify, including batts, rolls, blow-in fibers, rigid boards, expanding spray, and pour-in-place insulation.

### **How much can I receive in tax credit?**

For qualifying home energy efficiency upgrade purchases made in 2022, homeowners can receive a tax credit of up to 10% or \$500 (whichever sum is lower).

Effective January 1, 2023, enhancements to the credit provide a 30% or \$1,200 (whichever sum is lower) tax credit for qualifying home energy efficiency upgrades that meet 2021 International Energy Conservation Code®.

### **Can I apply for more than one tax credit?**

Homeowners can apply for tax credits up to 30% or \$1,200 (whichever sum is lower) on the cost of any energy-efficient home improvement once per year during the term of the incentive.

### **How do I file for the 25C Tax Credit?**

Via year-end federal tax return filing.

### **What documentation do I need in order to file for the 25C Tax Credit?**

Prairie Insulation will provide a product installation certification form that verifies which products were installed in the home and where.

In addition to this, proof of purchase documents or receipts are necessary to verify the cost of the products.

### **Which form do I file to apply for the 25C Tax Credit?**

Homeowners can apply for the 25C Tax Credit by filing form 5695 – Residential Energy Credits with their year-end federal tax return.

Please note, tax forms are updated regularly. Visit [www.irs.gov/instructions/i5695](http://www.irs.gov/instructions/i5695) For the most up-to-date information regarding form 5695, including filing instructions and the most current document.