

Understanding the IRA

How You Can Save Money Thanks to the Inflation Reduction Act

The Inflation Reduction Act of 2022 includes many programs that can help you and your family save money while reducing pollution. Navigating the benefits can be tricky, which is why we put together this guide. Throughout, you will find information about the ways you can take advantage of the savings available—and keep money in your pocket—thanks to this important law!

How You Can Take Advantage of the Inflation Reduction Act's Benefits to Save Money and Cut Pollution:

Consumers can benefit from the Inflation Reduction Act in many ways. Whether you need new windows or are considering buying an electric vehicle, this new law can bring down up-front costs and save you money in the long run—all while reducing harmful pollution in your home and community.

Some of the Inflation Reduction Act's benefits are available in the form of tax credits, which you can access when you file your taxes, while other savings are made possible through rebates that reduce the up-front price of a good or service. Below are just a few of the ways the Inflation Reduction Act will help reduce energy costs, improve your home, and [save you money on your bills](#).



Make Your Home More Energy Efficient

- This law can help lower heating and cooling costs by providing tax credits and rebates for homeowners who want energy efficiency measures like updated windows and doors and improved insulation and air sealing. These steps will keep homes warmer in the winter and cooler in the summer—**helping you save up to 20% on utility bills**.
- The tax credits will be available through 2032, and can be claimed when you file your taxes. [Find eligible products and home improvements here](#).
- The new rebate programs will vary by state, so be sure to ask about rebates when considering home improvements. [Learn more about home energy efficiency here](#).
- Not sure where to start? To decide the best home improvement options for your home, the Inflation Reduction Act also allows families to get up to [\\$150 for a home energy audit conducted by a certified inspector](#).



Update Your Laundry Room

- This law can help you save money on each load of laundry by providing rebates that can cover **up to 100%** of the costs of purchasing and installing a new [electric heat pump clothes dryer](#). Rebates vary by state and will be available to homeowners and renters, so make sure to ask for details when you're purchasing a new electric heat pump clothes dryer.



Electrify Your Kitchen

- This law provides [rebates](#) that can cover up to 100% of the costs of electric stoves, cooktops, ranges, and ovens—**helping you save money and reduce harmful pollution with more energy-efficient electric stoves or ovens**. These [rebates](#) are available to homeowners and renters but also vary by state, so ask about rebates before your next kitchen update.



Heat and Cool Your Home With a Heat Pump

- This law provides [tax credits](#) and rebates that can cover up to 100% of the costs of a heat pump. A [heat pump](#) is a versatile, clean appliance that heats AND cools your home by transferring, rather than generating, heat. Installing a heat pump will help heat and cool your home more efficiently and effectively while saving you hundreds of dollars a year on energy bills.



Get Moving in an Electric Car or Truck

- This law can help you drive off in a new or used electric vehicle while saving hundreds on fuel costs every year. Tax credits worth up to **\$7,500 for new electric vehicles and \$4,000 for used electric vehicles are available**, and making the switch means **you could save an average of \$950 a year on fuel costs**.
- This law also provides a \$1000 tax credit for an EV charger for people in rural and low-income communities, depending on the location.



Add a Heat Pump Water Heater

- Depending on eligibility, this law provides tax credits and rebates that cover up to 100% of the costs of heat pump water heaters, which are two to three times more efficient than conventional water heaters.



Go Solar

- The new law can help homeowners save money on electric bills by making solar power more accessible for your home. Tax credits are now available that will cover up to 30% of rooftop solar installation costs—and that can be paired with state incentives, too. The credit will be available until at least 2035, and all told, this law can help you save about **\$300 per year, or \$9,000 over the life of your new rooftop solar system**. [Learn more about how to save money on solar panels for your home](#).



Weatherize Your Windows and Doors

- This law will help you save money on utility bills by providing tax credits and rebates for weatherizing your windows and doors. Windows and doors can be responsible for leaking up to 30% of the energy used for heating and cooling your home, **so weatherization can help your family save big on energy bills**. [Learn more about weatherizing your home](#).



Add a New Breaker Box

- The Inflation Reduction Act includes tax credits and rebates to add a new breaker box or wiring that can help your home handle the load from new electric appliances and electric vehicle EV charging. **An upgraded breaker box may be eligible for up to a \$4,000 rebate**.

Additional Information

For more information about eligibility, check out [Rewiring America's Savings Calculator](#) and the [official IRS website on the Inflation Reduction Act](#). Please consider checking with a good tax preparer or use trusted tax preparation programs to help you locate the correct forms and eligibility requirements.

Some other helpful places to look to find out more about which tax forms you need to fill out to receive these benefits are the White House's [official page](#) on the clean energy benefits in the Inflation Reduction Act and the [Database of State Incentives for Renewables and Efficiency](#).

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