

Instructions for Form 5695

Residential Energy Credits

Section references are to the Internal Revenue Code unless otherwise noted.

General Instructions

Future Developments

For the latest information about developments related to Form 5695 and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form5695](https://www.irs.gov/Form5695).

What's New

Termination of credits. You can't claim residential clean energy credits for expenditures made after December 31, 2025. You can't claim energy efficient home improvement credits for expenditures or property placed in service after December 31, 2025. See [Who Can Take the Credits](#), later, for details.

For additional information and frequently asked questions about the modification of energy efficient home improvements and residential clean energy property credits, see Fact Sheet 2025-05 at [IRS.gov/EnergyCreditFAQs](https://www.irs.gov/EnergyCreditFAQs).

Qualified manufacturer identification numbers. Beginning January 1, 2025, if you are claiming the energy efficient home improvement credit for specified property placed into service in 2025, you must include the four-character alphanumeric unique qualified manufacturer identification number (QMID) for each item.

Enabling property. A new line was added to document the required relationship between enabling property and enabled property.

Condominium or cooperative owners with fractional shares of credits. A new checkbox was added to show you live in a condominium or cooperative and have a fractional share of the qualified energy efficiency improvements or residential energy property expenditures.

Reminders

Residential clean energy credit. The residential energy efficient property credit is now the residential clean energy credit. The credit rate for property placed in service in 2022 through 2025 is 30%.

Energy efficient home improvement credit. The nonbusiness energy property credit is now the energy efficient home improvement credit. The credit is allowed for property placed in service through December 31, 2025.

The energy efficient home improvement credit instructions are now divided into two sections to differentiate between qualified energy efficiency improvements and residential energy property expenditures.

For the energy efficient home improvement credit, the lifetime limitation has been replaced by an annual credit limit. A 30% credit, up to a maximum of \$1,200, may be allowed for:

- Insulation material or air sealing material or systems;
- Exterior doors;
- Windows and skylights;
- Central air conditioners;
- Natural gas, propane or oil water heaters;
- Natural gas, propane or oil furnaces or hot water boilers;
- Improvements to or replacement of panelboards, subpanelboards, branch circuits, or feeders; and
- Home energy audits.

The limits for each category of these items that qualify for a credit is discussed later in [Energy Efficient Home Improvement Credit \(Part II\)](#).

Heat pumps and heat pump water heaters, biomass stoves and biomass boilers have a separate annual credit limit of \$2,000 with no lifetime limitation, which replaces the prior lifetime limitation of \$500.

Home energy audits. Beginning January 1, 2024, home energy audits must be performed by a Qualified Home Energy Auditor or under the supervision of a Qualified Home Energy Auditor. The Qualified Home Energy Auditor must be certified by a Qualified Certification Program at the time of the home energy audit. See [Lines 26a Through 26c](#), later, for details.

For additional information and frequently asked questions about energy efficient home improvements and residential clean energy property credits, see Fact Sheet 2025-01 at <https://www.irs.gov/pub/taxpros/fs-2025-01.pdf>.

Purpose of Form

Use Form 5695 to figure and take your residential energy credits. The residential energy credits are:

- The residential clean energy credit, and
- The energy efficient home improvement credit.

Also use Form 5695 to take any residential clean energy credit carryforward from 2024 or to carry the unused portion of the residential clean energy credit to 2026.

Who Can Take the Credits

You may be able to take the credits if you made energy saving improvements to your home located in the United States in 2025.

Home. A home is where you lived in 2025 and can include a house, houseboat, mobile home, cooperative apartment, condominium, and a manufactured home that conforms to Federal Manufactured Home Construction and Safety Standards.

You must reduce the cost basis of your home if a residential energy credit is allowed for any expense for any property. The increase in the basis of the property that would result from the expenses will be reduced by the amount of the allowed credit.

Main home. Your main home is generally the home where you live most of the time. A temporary absence due to special circumstances, such as illness, education, business, military service, or vacation, won't change your main home.

Caution: You may only have one main home at a time.

Costs. For purposes of both credits, costs are treated as being paid when the original installation of the item is completed, or, in the case of costs connected with the reconstruction of your home, when your original use of the reconstructed home begins. For purposes of the residential clean energy credit only, costs connected with the construction of a home are treated as being paid when your original use of the constructed home begins. If less than 80% of the use of an item is for nonbusiness purposes, only that portion of the costs that is allocable to the nonbusiness use can be used to determine either credit.

Caution: The residential clean energy credit (Part I) is available for both existing homes and homes being constructed. The energy efficient home improvement credit (Part II) is only available for existing homes.

Caution: IRS guidance issued with respect to the energy credit under section 48, such as Notice 2018-59 and Notice 2021-41, does not apply to the residential energy credits.

Association or cooperative costs. If you are a member of a condominium management association for a condominium you own or a tenant-stockholder in a cooperative housing corporation, you are treated as having paid your proportionate share of any costs of such association or corporation.

Caution: If you received a subsidy from a public utility for the purchase or installation of an energy conservation product and that subsidy wasn't included in your gross income, you must reduce your cost for the product by the amount of that subsidy before you figure your credit. This rule also applies if a third party (such as a contractor) receives the subsidy on your behalf. See Fact Sheet 2025-01 at <https://www.irs.gov/pub/taxpros/fs-2025-01.pdf>, for details.

Residential Clean Energy Credit (Part I)

If you made energy saving improvements to more than one home that you used as a residence during 2025, enter the total of those costs on the applicable line(s) of one Form 5695. For qualified fuel cell property, see Lines 7a Through 7c, later.

You may be able to take a credit of 30% of your costs of qualified solar electric property, solar water heating property, small wind energy property, geothermal heat pump property, battery storage technology, and fuel cell property. Include any labor costs properly allocable to the onsite preparation, assembly, or original installation of the residential clean energy property and for piping or wiring to interconnect such property to the home. The credit amount for costs paid for qualified fuel cell property is limited to \$500 for each one-half kilowatt of capacity of the property.

Qualified solar electric property costs. Qualified solar electric property costs are costs for property that uses solar energy to generate electricity for use in your home located in the United States. No costs relating to a solar panel or other property installed as a roof (or portion thereof) will fail to qualify solely because the property constitutes a structural component of the structure on which it is installed. Some solar roofing tiles and solar roofing shingles serve the function of both traditional roofing and solar electric collectors, and thus serve functions of both solar electric generation and structural support. These solar roofing tiles and solar roofing shingles can qualify for the credit. This is in contrast to structural components such as a roof's decking or rafters that serve only a roofing or structural function and thus do not qualify for the credit. The home doesn't have to be your main home.

Qualified solar water heating property costs. Qualified solar water heating property costs are costs for property to heat water for use in your home located in the United States if at least half of the energy used by the solar water heating property for such purpose is derived from the sun. No costs relating to a solar panel or other property installed as a roof (or portion thereof) will fail to qualify solely because the property constitutes a structural component of the structure on which it is installed. Some solar roofing tiles and solar roofing shingles serve the function of both traditional roofing and solar electric collectors, and thus serve functions of both solar electric generation and structural support. These solar roofing tiles and solar roofing shingles can qualify for the credit. This is in contrast to structural components such as a roof's decking or rafters that serve only a roofing or structural function and thus do not qualify for the credit. To qualify for the credit, the property must be certified for performance by the nonprofit Solar Rating Certification Corporation or a comparable entity endorsed by the government of the state in which the property is installed. The home doesn't have to be your main home.

Qualified small wind energy property costs. Qualified small wind energy property costs are costs for property that uses a wind turbine to generate electricity for use in connection with your home

located in the United States. The home doesn't have to be your main home.

Qualified geothermal heat pump property costs. Qualified geothermal heat pump property costs are costs for qualified geothermal heat pump property installed on or in connection with your home located in the United States. Qualified geothermal heat pump property is any equipment that uses the ground or ground water as a thermal energy source to heat your home or as a thermal energy sink to cool your home. To qualify for the credit, the geothermal heat pump property must meet the requirements of the Energy Star program that are in effect at the time of purchase. The home doesn't have to be your main home.

Qualified battery storage technology costs. Qualified battery storage technology costs are costs for battery storage technology that is installed in connection with your home located in the United States and has a capacity of at least 3 kilowatt hours.

Qualified fuel cell property costs. Qualified fuel cell property costs are costs for qualified fuel cell property installed on or in connection with your main home located in the United States. Qualified fuel cell property is an integrated system comprised of a fuel cell stack assembly and associated balance of plant components that converts a fuel into electricity using electrochemical means. To qualify for the credit, the fuel cell property must have a nameplate capacity of at least one-half kilowatt of electricity using an electrochemical process and an electricity-only generation efficiency greater than 30%.

Caution: Costs allocable to a swimming pool, hot tub, or any other energy storage medium that has a function other than the function of such storage don't qualify for the residential clean energy credit.

Joint occupancy. If you occupied your home jointly with someone, each occupant must complete their own Form 5695. To figure the credit, the maximum qualifying costs that can be taken into account by all occupants for qualified fuel cell property costs is \$1,667 for each one-half kilowatt of capacity of the property. The amount allocable to you for qualified fuel cell property costs is the lesser of:

1. The amount you paid, or
2. The maximum qualifying cost of the property multiplied by a fraction. The numerator is the amount you paid and the denominator is the total amount paid by you and all other occupants.

These rules don't apply to married individuals filing a joint return.

Example. Ava owns a house with Bruce where they both reside. In 2025, they installed qualified fuel cell property at a cost of \$20,000 with a kilowatt capacity of 5. Ava paid \$12,000 towards the cost of the property and Bruce paid the remaining \$8,000. The amount to be allocated is \$16,670 ($\$1,667 \times 10$ (kilowatt capacity x 2)). The amount of cost allocable to Ava is \$10,002 ($\$16,670 \times \$12,000/\$20,000$). The amount of cost allocable to Bruce is \$6,668 ($\$16,670 \times \$8,000/\$20,000$).

Energy Efficient Home Improvement Credit (Part II)

You may be able to take a credit equal to 30% of the sum of:

1. The amount paid or incurred for qualified energy efficiency improvements installed during 2025,
2. The amount of the residential energy property costs paid or incurred in 2025, and
3. The amount paid or incurred for home energy audits during 2025.

However, this credit is limited as follows.

- A total combined credit limit of \$1,200 for qualified energy property.
- A credit limit of \$600 for any qualified energy property item.
- A combined credit limit of \$600 for all exterior windows and skylights.

- A credit limit of \$250 for any qualifying exterior door and \$500 total for all qualifying exterior doors.
- A combined credit limit of \$2,000 for heat pump and heat pump water heaters; biomass stoves and boilers.
- A credit limit of \$150 for home energy audits.

Subsidized energy financing. Any amounts provided for by subsidized energy financing can't be used to figure the energy efficient home improvement credit. This is financing provided under a federal, state, or local program, a principal purpose of which is to provide subsidized financing for projects designed to conserve or produce energy.

Section A—Qualified Energy Efficiency Improvements

Qualified energy efficiency improvements. Qualified energy efficiency improvements are the following building envelope components installed on or in your main home that you owned during 2025 located in the United States if the original use of the component begins with you, the component reasonably can be expected to remain in use at least 5 years, and the component meets certain energy standards.

- Any insulation material or system and air sealing material or system that is specifically and primarily designed to reduce heat loss or gain of a home when installed in or on such a home.
- Exterior windows and skylights.
- Exterior doors.

For purposes of figuring the credit, don't include amounts paid for the onsite preparation, assembly, or original installation of the building envelope component.

For exterior doors, windows, and skylights installed in 2025, a valid [QMID](#) must be reported on the applicable line(s).

Caution: To qualify for the credit, qualified energy efficiency improvements must meet certain energy efficiency requirements. See [Line 18a](#) through [Line 20d](#), later, for details.

Section B—Residential Energy Property Expenditures

Residential energy property expenditures are costs of new qualified energy property that is installed on or in connection with a home that you used during 2025 located in the United States. Include any labor costs properly allocable to the onsite preparation, assembly, or original installation of the energy property. Qualified energy property is any of the following.

- Certain electric or natural gas heat pump water heaters; electric or natural gas heat pumps; central air conditioners; and natural gas, propane, or oil water heaters.
- Natural gas, propane, or oil furnaces and hot water boilers.
- Certain biomass stoves and biomass boilers.
- Certain improvements or replacements of panelboards, subpanelboards, branch circuits, or feeders.

For qualified energy property installed in 2025, a valid [QMID](#) must be reported on the applicable line(s).

Caution: To qualify for the credit, qualified energy property must meet certain energy efficiency requirements. See [Line 22a](#) through [Line 25c](#) and [Lines 29a Through 29h](#), later, for details.

Home energy audits. Home energy audit costs are costs for an inspection and written report for your main home located in the United States that:

1. Identifies the most significant and cost-effective energy efficiency improvements for the home, including an estimate of the energy and cost savings for each improvement; and
2. Is conducted and prepared by either a Qualified Home Energy Auditor or under the supervision of a Qualified Home Energy Auditor.

The written report must include the following:

1. The Qualified Home Energy Auditor's name and employer identification number (EIN) or other type of relevant taxpayer identifying number (TIN);

2. An attestation that the Qualified Home Energy Auditor is certified by a Qualified Certification Program; and

3. The name of the Qualified Certification Program.

The Qualified Home Energy Auditor must be certified by a Qualified Certification Program at the time of the home energy audit. See <https://www.energy.gov/eere/buildings/25c-energy-efficient-home-improvement-credit> for a listing of Qualified Certification Programs.

Joint ownership of qualified property. If you and a neighbor shared the cost of qualifying property to benefit each of your main homes, both of you can take the energy efficient home improvement credit. You figure your credit on the part of the cost you paid. The limit on the amount of the credit applies to each of you separately.

Married taxpayers with more than one home. If both you and your spouse owned and lived apart in separate main homes, the limit on the amount of the credit applies to each of you separately. If you are filing separate returns, both of you would complete a separate Form 5695. If you are filing a joint return, figure your energy efficient home improvement credit as follows.

1. Complete lines 17a through 30 of a separate Form 5695 for each main home.
2. Figure the amount to be entered on line 30 of both forms and enter the combined amount on line 30 of one of the forms.
3. On the dotted line to the left of line 30, enter "More than one main home." Then, complete the rest of this form.
4. Attach both forms to your return.

Joint occupancy. If you occupied your home jointly with someone, each occupant must complete their own Form 5695. To figure the credit, enter the amounts you paid for the items on lines 18a, 19a, 19d, 19e, 20a, 20b, 22a, 22b, 23a, 23b, 24a, 24b, 25c, 26b, or 29a through 29f.

If the aggregate credit that would be allowed to all occupants for any item of property exceeds the credit limit below, then you must figure your allocable share of the credit from each property. The credit allocable to you is the credit limit for that property multiplied by a fraction. The numerator is the amount you paid and the denominator is the total amount paid by you and all other occupants. Enter the credit allowable to you from that property on lines 18b, 19c, 19h, 20d, 22d, 23d, 24d, 25e, 26c, and 29h. Check the box on line 32a and attach a statement explaining how you allocated the credit.

If the total on line 27 is more than \$1,200, then the credit allowable to you is further limited. Multiply \$1,200 by a fraction. The numerator is the sum of the amounts on lines 18a, 19a, 19f, 20a, 20b, 22a, 22b, 23a, 23b, 24a, 24b, 25c, and 26b. The denominator is the total amount paid by you and all other occupants for the corresponding properties. Enter the result on line 28. Check the box on line 32a and attach a statement explaining how you allocated the credit.

If line 29h is more than \$2,000, then the credit allowable to you is further limited. Multiply \$2,000 by a fraction. The numerator is the amount on line 29g. The denominator is the total amount paid by you and all other occupants for the item of property. Enter the result on line 29h.

The credit limit for each property is as follows.

- \$1,200 for insulation or air sealing material system.
- \$250 for one exterior door and \$500 for all exterior doors.
- \$600 for windows.
- \$600 for central air conditioners.
- \$600 for natural gas, propane, or oil water heaters.
- \$600 for natural gas, propane, or oil furnace or hot water boilers.
- \$600 for improvements or replacements of panelboards, subpanelboards, branch circuits, or feeders.
- \$150 for home energy audits.

- \$2,000 for heat pumps and heat pump water heaters; biomass stoves and biomass boilers.

Specific Instructions

Part I Residential Clean Energy Credit

Before you begin Part I.

Figure the amount of the credits shown in the credit limitation worksheet if you take those credits on your return.

Tip: Include on lines 1 through 4, 5b, and 8 any labor costs properly allocable to the onsite preparation, assembly, or original installation of the property and for piping or wiring to interconnect such property to the home.

In the section above line 1, enter the complete address of the home where you installed the qualified residential clean energy property or technology associated with lines 1 through 4 and 5b. If you made improvements to more than one home, list the complete address of the home with the greatest total cost in the section above line 1. Then, attach a statement listing the additional addresses to Form 5695.

Line 1

Enter the amounts you paid for qualified solar electric property. See [Qualified solar electric property costs](#), earlier.

Line 2

Enter the amounts you paid for qualified solar water heating property. See [Qualified solar water heating property costs](#), earlier.

Line 3

Enter the amounts you paid for qualified small wind energy property. See [Qualified small wind energy property costs](#), earlier.

Line 4

Enter the amounts you paid for qualified geothermal heat pump property. See [Qualified geothermal heat pump property costs](#), earlier.

Lines 5a and 5b

To qualify for the credit, the qualified battery storage technology must have a capacity of at least 3 kilowatt hours.

If the qualified battery storage technology has a capacity of 3 kilowatt hours or greater, then check the "Yes" box, enter the amounts you paid for qualified battery storage technology on line 5b.

If you check the "No" box, you can't include any battery storage technology costs on line 5b. See [Qualified battery storage technology costs](#), earlier.

Lines 7a Through 7c

Any qualified fuel cell property costs must have been for your main home located in the United States. See [Main home](#), earlier. If you check the "Yes" box, enter the full address of your main home during 2025 on line 7b.

If you and your spouse are filing jointly and you each have different main homes with qualified fuel cell property costs, provide

on line 7b the address of your main home. Add a statement providing the address of your spouse's main home. You and your spouse should add your qualified fuel cell property costs together on line 8 of one Form 5695.

If you check the "No" box, you can't include any fuel cell property costs on line 8.

Joint occupants of a home who are claiming the credit for qualified fuel cell property costs must check the box on line 7c and attach a statement explaining how they allocated the costs among each occupant. See [Joint occupancy](#), earlier.

Line 8

Enter the amounts you paid for qualified fuel cell property. See [Qualified fuel cell property costs](#), earlier.

Line 10

Enter the kilowatt (kW) capacity of the fuel cell property. The nameplate capacity must be 0.5 kW or greater to claim the credit and may only be claimed in half kW increments. Multiply the kW capacity by \$1,000 and enter the result.

Line 14

Complete the following [worksheet](#) to figure the amount to enter on line 14.

Residential Clean Energy Credit Limit Worksheet—Line 14

1. Enter the amount from Form 1040, 1040-SR, or 1040-NR, line 18 1. _____
2. Enter the total of the following credit(s)/adjustment(s) if you are taking the credit(s)/adjustment(s) on your 2025 income tax return:
 - + Amount on Schedule 3 (Form 1040), line 6l _____
 - + Foreign Tax Credit, Schedule 3 (Form 1040), line 1 _____
 - + Credit for Child and Dependent Care Expenses, Schedule 3 (Form 1040), line 2 _____
 - + Credit for the Elderly or the Disabled, Schedule 3 (Form 1040), line 6d _____
 - + Nonrefundable Education Credits, Schedule 3 (Form 1040), line 3 _____
 - + Retirement Savings Contributions Credit, Schedule 3 (Form 1040), line 4 _____
 - + Energy efficient home improvement credit, Form 5695, line 32 _____
 - + Credit for previously owned clean vehicles, Schedule 3 (Form 1040), line 6m _____
 - + Clean Vehicle Credit, Schedule 3 (Form 1040), line 6f _____
 - + Child tax credit or credit for other dependents, Form 1040, 1040-SR, or 1040-NR, line 19* _____
 - + Mortgage Interest Credit, Schedule 3 (Form 1040), line 6g _____
 - + Adoption Credit, Schedule 3 (Form 1040), line 6c _____
 - + Carryforward of the District of Columbia First-Time Homebuyer Credit, Schedule 3 (Form 1040), line 6h _____
3. Subtract line 2 from line 1. Also enter this amount on Form 5695, line 14. If zero or less, enter -0- on Form 5695, lines 14 and 15 2. _____
3. _____

* Include the amount in the instructions for Schedule 8812 (Form 1040), Credit Limit Worksheet B, line 14, instead of the amount from Form 1040, 1040-SR, or 1040-NR, line 19, if the instructions for Schedule 8812 (Form 1040) direct you to complete Credit Limit Worksheet B.

Manufacturer's certification. For purposes of taking the credit, you can rely on the manufacturer's certification, in writing, that a product is qualifying property for the credit. Don't attach the certification to your return. Keep it for your records.

Line 16

If you can't use all of the credit because of the tax liability limit (that is, line 14 is less than line 13), you can carry the unused portion of the credit to 2026.

File this form even if you can't use any of your credit in 2025.

Part II

Energy Efficient Home Improvement Credit

Caution: To qualify for the energy efficient home improvement credit for specified property, you must provide a valid [QMID](#) for each item.

Section A—Qualified Energy Efficiency Improvements

Lines 17a Through 17e

Line 17a. To qualify for the credit, any qualified energy efficiency improvements must have been for your main home located in the United States. See [Main home](#), earlier. If you check the "No" box, you can't take the energy efficient home improvement credit.

Line 17b. To qualify for the credit, you must be the original user of the qualified energy efficiency improvements. If you check the "No" box, you can't take the energy efficient home improvement credit.

Line 17c. To qualify for the credit, the components must be reasonably expected to remain in use for at least 5 years on your main home located in the United States. If you check the "No" box, you can't take the energy efficient home improvement credit.

Line 17d. Enter the complete address of your main home during 2025. You can only claim the energy efficient home improvement credit on one main home.

Line 17e. You cannot claim the credit for expenses related to the construction of a new home. If you are claiming the credit only for expenses for qualified improvements to an existing home or for an addition to or renovation of an existing home, check the "No" box. If the qualified improvements for which you are seeking to claim the credit are related to the construction of a new home, check the "Yes" box. If you check the "Yes" box, skip lines 18a through 20d.

Lines 18a and 18b

Note: A reference to the IECC is a reference to the International Energy Conservation Code as in effect (with supplements) on January 1, 2021, for components placed in service during 2025.

Caution: Don't include on lines 18a, 19a, 19d, 19e, 20a, and 20b any amounts paid for the onsite preparation, assembly, or original installation of the components.

Line 18a. Enter the amounts you paid for any insulation material or air sealing material or system (including any vapor retarder or seal to limit infiltration) that is specifically and primarily designed to reduce the heat loss or gain of your home when installed in or on your home and meets the criteria established by the IECC.

Don't enter more than \$1,200 on line 18a.

Caution: A component isn't specifically and primarily designed to reduce the heat loss or gain of your home if it provides structural support or a finished surface (such as drywall or siding) or its principal purpose is to serve any function unrelated to the reduction of heat loss or gain.

Lines 19a Through 19h

Line 19a. Enter the amount you paid for the most expensive exterior door that meets the Energy Star program requirements.

Line 19b. Enter the QMID for the exterior door you reported on line 19a.

Don't enter more than \$250 on line 19c.

Line 19d. Enter the QMID(s) and amount(s) you paid for the two next most expensive qualifying exterior doors in 2025.

Line 19e. Enter the amounts paid for all other qualifying exterior doors in 2025. If you enter an amount on line 19e, attach a statement to your return listing the QMID and cost of each item included on line 19e.

Don't enter more than \$500 on line 19h.

Lines 20a Through 20d

Line 20a. Enter the QMID and amounts you paid for the four most expensive exterior windows and skylights that meet Energy Star certification requirements on lines (i) through (iv).

Line 20b. Enter the amount you paid for all other exterior windows and skylights that meet Energy Star most efficient certification requirements. If you enter an amount on line 20b, attach a statement to your return listing the QMID and cost of each item included on line 20b.

Don't enter more than \$600 on line 20d.

Manufacturer's certification. For purposes of taking the credit, you can rely on a manufacturer's certification in writing that a building envelope component is an eligible building envelope component. Don't attach the certification to your return. Keep it for your records. A valid QMD must also be reported on the applicable line(s).

Section B—Residential Energy Property Expenditures

Lines 21a Through 21c

Line 21a. To qualify for the credit, any qualified energy property installed on or in your home must be located in the United States. If you check the "No" box, you can't take the energy efficient home improvement credit for your residential energy property costs.

Line 21b. To qualify for the credit, the qualified energy property must have been originally placed in service by you. If you check the "No" box, you can't take the energy efficient home improvement credit for your residential energy property costs.

Line 21c. Enter the full address of each home where you installed qualified energy property.

Tip: Include on lines 22a, 22b, 23a, 23b, 24a, 24b, 25c, and 29a through 29f any labor costs properly allocable to the onsite preparation, assembly, or original installation of the property.

Lines 22a Through 22d

Line 22a. Enter the QMID and amount you paid for the most expensive central air conditioner that achieves the highest efficiency tier that has been established by the Consortium for Energy Efficiency (CEE) that is in effect as of the beginning of the calendar year in which the property is placed in service.

Line 22b. Enter the amounts you paid for all other central air conditioners that achieve the highest efficiency tier that has been established by the CEE that is in effect as of the beginning of the calendar year in which the property is placed in service. If you enter an amount on line 22b, attach a statement to your return listing the QMID and cost of each item included on line 22b.

Don't enter more than \$600 on line 22d.

Lines 23a Through 23d

Line 23a. Enter the QMID and amounts you paid for the two most expensive natural gas, propane, or oil water heaters that achieve the highest efficiency tier established by the CEE that is in effect as of the beginning of the calendar year in which the property is placed in service.

Line 23b. Enter the amounts you paid for all other natural gas, propane, or oil water heaters that achieve the highest efficiency tier established by the CEE that is in effect as of the beginning of the calendar year in which the property is placed in service. If you enter an amount on line 23b, attach a statement to your return listing the QMID and cost of each item included on line 23b.

Don't enter more than \$600 on line 23d.

Lines 24a Through 24d

Line 24a. Enter the QMID and amount you paid for the most expensive natural gas, propane, or oil furnace or hot water boilers that achieve the highest efficiency tier established by the CEE that is in effect as of the beginning of the calendar year in which the property is placed in service. In addition, oil furnaces and hot water boilers must meet the 2021 Energy Star efficiency criteria and be rated by the manufacturer for use with fuel blends at least 20% of the volume of which consists of an eligible fuel.

Line 24b. Enter the amounts you paid for all other natural gas, propane, or oil furnace or hot water boilers that achieve the highest efficiency tier established by the CEE that is in effect as of the beginning of the calendar year in which the property is placed in service. In addition, oil furnaces and hot water boilers must meet the 2021 Energy Star efficiency criteria and be rated by the manufacturer for use with fuel blends at least 20% of the volume of which consists of an eligible fuel. If you enter an amount on line 24b, attach a statement to your return listing the QMID and cost of each item included on line 24b.

Don't enter more than \$600 on line 24d.

Lines 25a Through 25e

To qualify for the credit, an improvement to or replacement of panelboards, subpanelboards, branch circuits, or feeders (enabling property) must be installed to enable the installation and use of a separate qualified energy efficient improvement or certain qualified energy property (enabled property) and both the enabling property and the enabled property must be installed in 2025. If you check the "No" box, you can't take the credit for enabling property costs.

Note: If the enabling property and the enabled property were installed in consecutive tax years, then you can treat both as having been installed in the later of the tax year in which the enabling property or the enabled property was installed, regardless of which was installed first. For example, if the enabling property was installed in 2024 and the enabled property was installed in 2025, then you may choose to treat both as being installed in 2025.

Example. In 2024, you installed a new panelboard in your principal residence, and in 2025, you install a new electric heat pump water heater in your principal residence. If you choose to apply the safe harbor provisions, you may treat both the enabling property (panelboard) and the enabled property (electric heat pump water heater) to have been installed in 2025, for purposes of the credit. If you choose not to apply the safe harbor under paragraph (b)(2) of this section, then the panelboard is determined to have been installed in 2024, and the electric heat pump water heater is determined to have been installed in 2025, for purposes of the credit.

Line 25b. Enter the code for the type(s) of enabled property from the following list.

- A - Windows and skylights reported on Form 5695, line 20a,
- B - Central air conditioners reported on Form 5695, line 22a,

- C - Natural gas, propane, and oil water heaters reported on Form 5695, line 23a,
- D - Natural gas, propane, and oil furnaces or hot water boilers reported on Form 5695, line 24a,
- E - Electric or natural gas heat pumps reported on Form 5695, line 29a,
- F - Electric or natural gas heat pump water heaters reported on Form 5695, line 29c, or
- G - Biomass stoves or boilers reported on Form 5695, line 29e.

Line 25c. Enter the amounts you paid for improvements to or replacement of panelboards, subpanelboards, branch circuits, or feeders that were installed in a manner consistent with the National Electric Code, have a load capacity of at least 200 amps, and were installed with qualified energy efficiency improvements or qualified energy property.

Don't enter more than \$600 on line 25e.

Lines 26a Through 26c

Line 26a. To qualify for the credit, a home energy audit must have included an inspection of your main home located in the United States and a written report prepared by a Qualified Home Energy Auditor or under the supervision of a Qualified Home Energy Auditor. If you check the "No" box, you can't claim the home energy audit credit.

Line 26b. Enter the amounts you paid for home energy audits in 2025.

Don't enter more than \$150 on line 26c.

Caution: Home energy audits must be performed by a Qualified Home Energy Auditor or under the supervision of a Qualified Home Energy Auditor. The Qualified Home Energy Auditor must be certified by a Qualified Certification Program at the time of the home energy audit. See Home energy audits, earlier.

Lines 29a Through 29h

Line 29a. Enter the QMID and amount you paid for the most expensive electric or natural gas heat pump that achieves the highest efficiency tier established by the CEE that is in effect as of the beginning of the calendar year in which the property is placed in service.

Line 29b. Enter the amounts you paid for all other electric or natural gas heat pumps that achieve the highest efficiency tier established by the CEE that is in effect as of the beginning of the calendar year in which the property is placed in service. If you enter an amount on line 29b, attach a statement to your return listing the QMID and cost of each item included on line 29b.

Line 29c. Enter the QMID and amount you paid for the most expensive electric or natural gas heat pump water heater that achieves the highest efficiency tier established by the CEE that is in effect as of the beginning of the calendar year in which the property is placed in service.

Line 29d. Enter the amounts you paid for all other electric or natural gas heat pump water heaters that achieve the highest efficiency tier established by the CEE that is in effect as of the beginning of the calendar year in which the property is placed in service. If you enter an amount on line 29d, attach a statement to your return listing the QMID and cost of each item included on line 29d.

Line 29e. Enter the QMID and amount you paid for the most expensive biomass stove or biomass boiler that has a thermal efficiency rating of at least 75% (measured by the higher heating value of the fuel).

Line 29f. Enter the amounts you paid for all other biomass stoves and biomass boilers that have a thermal efficiency rating of at least 75% (measured by the higher heating value of the fuel). If you enter an amount on line 29f, attach a statement to your return listing the QMID and cost of each item included on line 29f.

Don't enter more than \$2,000 on line 29h.

Manufacturer's certification. For purposes of taking the credit, you can rely on a manufacturer's certification in writing that a product is qualified energy property. Don't attach the certification to your return. Keep it for your records. A valid QMID must also be reported on the applicable line(s).

Line 31

Complete the worksheet below to figure the amount to enter on line 31.

Energy Efficient Home Improvement Credit Limit Worksheet—Line 31

1. Enter the amount from Form 1040, 1040-SR, or 1040-NR, line 18 1. _____
2. Enter the total of the following credit(s)/adjustment(s) if you are taking the credit(s)/adjustment(s) on your 2025 income tax return:
 - + Amount on Schedule 3 (Form 1040), line 6l
 - + Foreign Tax Credit, Schedule 3 (Form 1040), line 1
 - + Credit for Child or Dependent Care Expenses, Schedule 3 (Form 1040), line 2
 - + Credit for the Elderly or the Disabled, Schedule 3 (Form 1040), line 6d
 - + Nonrefundable Education Credits, Schedule 3 (Form 1040), line 3
 - + Retirement Savings Contributions Credit, Schedule 3 (Form 1040), line 4
3. Note: Enter the total of the preceding credit(s)/adjustment(s) only if allowed and taken on your 2025 income tax return. Not all credits/adjustments are available for all years nor for all filers. See the instructions for your 2025 income tax return. 2. _____
3. Subtract line 2 from line 1. Also enter this amount on Form 5695, line 31. If zero or less, enter -0- on Form 5695, lines 31 and 32 3. _____

Lines 32a and 32b

Line 32a. Joint occupants of a home who are claiming the energy efficient home improvement credit must check the box on line 32a and attach a statement explaining how they allocated the credit among each occupant. See Joint occupancy, earlier.

Line 32b. Occupants of a condominium or cooperative who are claiming a fractional share of the qualified energy efficiency improvements or residential energy property costs must check the box on line 32b.