Overview of IRA incentives

The Inflation Reduction Act (IRA) provides a once-in-a-generation opportunity to go electric and lower energy bills. Combined with other incentives and depending on your income level, installing clean and green appliances could cost you next to nothing.

While these incentives and rebates can be helpful, it can still be hard for low- and moderate-income households to take full advantage of the savings. Plus, navigating the incentives and understanding the technologies, new to many of us, are not easy. Here’s what you need to know to get started.

The IRA incentives for households come in two forms: rebates and tax credits.

- **Rebates:** Provide up-front discounts. For lower-income households, some rebates will be able to cover close to 100% of upfront costs. Only some rebates are available now, with the bigger programs coming out in 2024. Watch this space!

- **Tax Credits:** Provide savings to households with incomes high enough to owe federal income tax. There are different rules and caps for each upgrade or new installation. These IRA programs run for 10 years, so research now and schedule replacements as old appliances or features wear out or fail.

How much can I save?

Calculate your savings with **Rewiring America’s IRA Benefits Calculator**. Enter in your zip code, renter or homeowner status, and household income to see your personalized incentives in dollar amounts.

**Example:** For MD zip code 21230 (Southwest Baltimore), renters with a household income of $45,000 could qualify for:

**UPFRONT DISCOUNTS**

$9,700

**AVAILABLE TAX CREDITS**

$1,750

**ESTIMATED ENERGY SAVINGS PER YEAR**

$1,550

**TOTAL INCENTIVES (ESTIMATED)**

$11,450

Source: https://www.rewiringamerica.org/app/ira-calculator

What does electrifying look like?

These upgrades and new installations can help you save money, stay healthy, and fight climate change.

- **2023**
  - **Portable induction burner & oven:** $0
    - Switch to an induction stove and countertop electric oven to avoid using the installed gas range.
  - **Window unit heat pumps:** $0
    - Replace window-unit air conditioners with window-unit heat pumps, which can also be used instead of the gas furnace for heating.

- **2025**
  - **Electric clothes washer/dryer:** $0
    - Install a combined 120V washer and dryer unit once the price falls below the rebate limit.

- **2026**
  - **Wiring & panel upgrades:** $0
    - Work with your landlord to utilize the IRA’s funding for retrofits of affordable housing.

Source: Rewiring America’s **Renter Case Study**. Household Profile: Size - 2 people; Income - $30,000; AMI - Under 80%; Atlanta, GA.
As a renter, how can I take advantage of these programs?

There are several ways renters can claim benefits from the IRA, with many programs rolling out over the next few years.

<table>
<thead>
<tr>
<th>Upgrade or Installation</th>
<th>Replacing</th>
<th>Tax Credit or Rebate</th>
<th>Available</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portable electric or induction hot plate and/or cooktop</td>
<td>Gas stove top</td>
<td>Rebate</td>
<td>Late 2023</td>
<td>You can take these with you when you move out!</td>
</tr>
<tr>
<td>Portable heat pump combined washer/dryer unit</td>
<td>Gas washer and dryer</td>
<td>Rebate</td>
<td>Late 2023</td>
<td></td>
</tr>
<tr>
<td>Window-unit or portable heat pump</td>
<td>Window-unit AC and gas furnace or radiators</td>
<td>Rebate</td>
<td>2024</td>
<td>There are window-unit and floor-unit models (still requires window access).</td>
</tr>
<tr>
<td>Home energy audits</td>
<td>n/a</td>
<td>Tax credit, 30% off (details)</td>
<td>Now</td>
<td>Consider talking to your landlord about splitting the costs or lowering rent in return for property improvements.</td>
</tr>
<tr>
<td>Energy-efficient upgrades</td>
<td>Poorly insulated windows, doors, etc.</td>
<td>Tax credit, 30% off (details)</td>
<td>Now</td>
<td></td>
</tr>
<tr>
<td>Residential clean energy (e.g., solar panels, battery storage)</td>
<td>Some of the fossil fuel energy from utilities</td>
<td>Tax credit, 30% off (details)</td>
<td>Now</td>
<td>These tax credits can be claimed by renters according to this IRS fact sheet.</td>
</tr>
<tr>
<td>Used Electric Vehicle (EV)</td>
<td>Gasoline car</td>
<td>Tax credit</td>
<td>Now</td>
<td>Applicable for renters with incomes high enough to owe federal income tax.</td>
</tr>
<tr>
<td>New EV</td>
<td>Gasoline car</td>
<td>Tax credit</td>
<td>Now</td>
<td></td>
</tr>
</tbody>
</table>

**Tips**

- Your local electricity provider, county, and state may have additional clean energy and energy efficient rebates! In many places, you can stack incentives on top of each other for extra savings.
- Check out these energy efficiency questions to ask your landlord or property manager.
- Considering an EV but don’t know where to start? Use this guide from 350 New Mexico or this one from the U.S. government.
- There are financial incentives specifically for landlords and builders, too. Tell your landlord, property manager, and neighbors!

**More resources**

- Learn more about IRA incentives at [CleanEnergy.gov](https://CleanEnergy.gov)
- [The Switch Is On's Kitchen Electrification for Renters](https://www.theswitchison.org)
- Department of Energy’s [Tips and Incentives for Renters](https://www.energy.gov)

**Scan for the digital version and additional resources:**