

What is the IRA?

The Inflation Reduction Act (IRA), enacted by Congress in 2022, **allocates nearly \$370 billion for historic climate investments** – and many of its provisions can be used to elevate the ongoing work of faith congregations. The IRA encompasses clean energy tax credits, environmental justice priorities, domestic clean energy manufacturing, and technologies to reduce emissions. Projected to cut U.S. greenhouse gas emissions by 31% to 44% by 2030, the IRA enables both congregations and individuals to fund clean energy projects.

HOW CAN IT BENEFIT OUR CONGREGATIONS?

Tax Credits ¹



Clean Energy Investment Tax Credit:

30% tax credit for solar, battery storage, geothermal



Alternative Fuel Vehicle Refueling Property Credit:

Credit for EV charging installations in low-income areas



Clean Commercial Vehicles Tax Credit:

Credit for commercial vehicles (could include EV vans/buses for congregations)



Clean School Bus Program:

May cover up to 100% of replacement costs for zero-emission school buses (for religious schools)

Energy Efficiency Tax Deduction



Internal Revenue Code Section 179D provides a tax incentive for energy efficiency upgrades in buildings that **result in energy savings of at least 25%**.

HOW CAN IT BENEFIT OUR INDIVIDUAL NEIGHBORS?



Solar:

30% tax credit



Battery Storage:

30% tax credit



Geothermal:

30% tax credit

Weatherization:

30% tax credit for projects including: ²



Insulation and air sealing: Up to \$1,200

Doors: Up to \$500

Windows: Up to \$600

Energy Audits: Up to \$150

Heat pumps and water heaters: Up to \$2,000/year



Electric Vehicles:

EV Charger: \$1,000 tax credit

(only for rural/low-income communities)

New EVs: \$7,500 (income-limited)

Used EVs: \$4,000 (income-limited)

Energy Efficiency Rebates: ³

Heat pump: Up to \$8,000

Heat pump water heater: Up to \$1,750

Weatherization projects (insulation, air sealing, ventilation): Up to \$1,600



Electric Panel: Up to \$4,000

Electric Wiring: Up to \$2,500

Electric Stove: Up to \$840

Heat pump clothes dryer: Up to \$840



How much could **YOU** save with the IRA?



¹ Tax credits are now available to congregations through a mechanism called direct pay. This allows nonprofits to receive a payment equal to the full value of certain tax credits for clean energy projects.

² Only covers purchase cost (not installation costs) for these projects. The credit resets each tax year, effectively becoming available again for additional projects. Total tax credits across all weatherization projects are capped at \$1,200 per year.

³ Total Electrification Rebates discounts across all qualified electrification projects are capped at \$14,000. Rebates are income-dependent and actual eligibility and timeline will vary by state. Rebates in Georgia are expected to become available in 2024 through the Georgia Environmental Finance Authority.