

Obtain Valuable Tax Credits On Residential Buildings

45L Tax Credit



What Is The 45L Tax Credit?

Section 45L of the Internal Revenue Code (IRC) allows developers, builders and homeowners to claim tax credits for energy-efficient residential properties that are newly built or substantially remodeled.

A broad range of single-family homes and multifamily properties are eligible for this tax credit, which has recently been extended through 2032.

What Are The Requirements?

The purpose of Section 45L is to encourage builders to use energy-efficient materials for the construction of residential buildings. Eligible properties do not necessarily have to be newly built homes; residential properties that have been substantially improved via remodeling or renovations are also eligible.

What Types Of Buildings Qualify?

Pre-2023

- Single-family homes
- Townhomes
- Duplexes
- Triplexes
- Apartment complexes (3 stories or less)
- Manufactured homes

2023 and Later

- Single-family homes
- Townhomes
- Duplexes
- Triplexes
- Apartment complexes (any size)
- Manufactured homes
- Student housing (any size)
- Assisted living facilities (any size)

Who Can Claim 45L Tax Credits?

Only eligible contractors can claim the 45L credit. According to the IRS, the eligible contractor is the taxpayer that owns and has a basis in the residential building at the time of its construction.

Notably, there is no limit to the number of 45L tax credits each eligible contractor can claim. As long as the properties meet all requirements, you can claim tax credits for as many qualifying buildings as you own.

How To Get Started

Many residential buildings are eligible for the 45L Energy-Efficient Home Tax Credit, but not many homeowners, developers and builders know to take advantage of it. ETS provides 45L certifications that are evaluated, modeled and signed off on by authorized certifiers.

Once certification is complete, you will receive a certification package with all necessary documentation to sustain the 45L tax credit in case of IRS audit. Whether you want to file for a single home or a large multifamily development, ETS has the tax expertise required to help you apply and qualify for this valuable tax credit.

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