



# TaxNewsFlash

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## IRS provides FAQs on energy efficient home improvements and residential clean energy property credits

The IRS today released [“frequently asked questions” \(FAQs\)](#) [PDF 357 KB] regarding energy efficient home improvements and residential clean energy property credits, which were amended by H.R. 5376 (commonly called the “Inflation Reduction Act of 2022” (IRA)).

According to the accompanying IRS release—[IR-2022-225](#) (December 22, 2022)—the FAQs provide details on the IRA’s changes to these tax credits, information on eligible expenditures, and provide examples of how the credit limitations work.

The FAQs specifically state that because they have not been published in the Internal Revenue Bulletin, they will not be relied on or used by the IRS to resolve a case. Similarly, if an FAQ turns out to be an inaccurate statement of the law as applied to a particular taxpayer’s case, the law will control the taxpayer’s tax liability. Nonetheless, a taxpayer who reasonably and in good faith relies on these FAQs will not be subject to a penalty that provides a reasonable cause standard for relief, including a negligence penalty or other accuracy-related penalty, to the extent that reliance results in an underpayment of tax.

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