



TaxNewsFlash

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Notice 2023-65: Guidance on new energy efficient home credit under section 45L

The IRS today released an advance version of [Notice 2023-65](#) [PDF 105 KB] providing guidance on the new energy efficient home credit under section 45L, as amended by H.R. 5376 (commonly called the “Inflation Reduction Act” (IRA)).

As described in a related IRS release—[IR-2023-180](#) (September 27, 2023)—section 45L, as amended by the IRA, allows eligible contractors who construct or substantially reconstruct and rehabilitate qualified new energy efficient homes a tax credit of up to \$5000 per home. The actual amount of the credit (from \$500 to \$5000) depends on eligibility requirements such as the type of home, the home’s energy efficiency, and with respect to multifamily dwelling units, whether prevailing wage requirements are met.

The amendments to section 45L made by the IRA apply to qualified new energy efficient homes acquired after December 31, 2022, and Notice 2023-65 applies to any qualified home acquired after December 31, 2022, and before January 1, 2033.

The guidance provided in the notice addresses:

- The person that is eligible for the credit
- Determining the applicable amount of the credit
- Energy saving requirements
- Certification requirements
- Substantiation requirements

Read a related [Treasury release](#)

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