

THE INFLATION REDUCTION ACT OF 2022 AND 25C TAX CREDITS



Raising the bar on
reducing energy
consumption



Arcoaire understands how most homeowners need to balance comfort, energy consumption and the initial cost of the equipment. That's why we offer a wide variety of products that help check all these needs. And now, with the Inflation Reduction Act of 2022, many of our products qualify for 25C tax credits, making it more affordable for homeowners to get into a higher efficiency system. Let's take a look at the 25C tax credits and current Arcoaire systems that qualify.

25C TAX CREDIT

WHAT IS THE 25C TAX CREDIT?

The Inflation Reduction Act of 2022 provides federal tax credits and deductions that empower Americans to make homes and buildings more energy-efficient to help reduce energy costs while reducing demand as we transition to cleaner energy sources. Under this act, tax section 25C allows for federal income tax credits for energy efficiency home improvements available through 2032.

A broad selection of ENERGY STAR® certified equipment is eligible for the tax credits. Taking advantage of tax credits, along with any available rebates, is a good way to help make the transition to a clean energy future more affordable.



WHAT ARE THE 25C TAX CREDIT AMOUNTS?

For installations of eligible equipment occurring after January 1, 2023, homeowners may receive a nonrefundable credit against their taxes for an amount equal to the sum of:

- 30% of the total installation costs of eligible energy-efficient equipment up to \$1,200 per taxable year.
- The credit for eligible heat pump installation costs is capped at \$2,000; these credits are considered separate from the \$1,200 annual limit.
 - This means, the installation of an approved heat pump along with other qualifying energy-efficient equipment expenditures is capped at a total of \$3,200 per taxable year.
- *25C is a nonrefundable tax credit. Homeowners are advised to consult with a tax professional for further details.*



WHAT SPLIT SYSTEM AC AND HP PRODUCTS ARE 25C TAX CREDIT ELIGIBLE?

To qualify for the 25C tax credits, eligible equipment must meet or exceed the highest efficiency tier established by the Consortium for Energy Efficiency, excluding any CEE defined Advanced Tier. As seen in the charts below, Arcoaire offers a comprehensive family of high-efficient eligible products:

Heat Pump Lineup

CEE Tier 1 North Heat Pump Lineup (Ducted)			
15.2 SEER2 / 10.0 EER2 / 8.1 HSPF2; COP ≥ 1.75 / Cap Ratio 17F / 47F ≥ 58%		Furnace	Fan Coil / AHU
Ion™ System	HVH8	25, 37, 48	
	H4H7T	All Sizes	All Sizes
	H4H5S		30
Performance Series	DLCURA	18*, 24*, 36*	18, 24, 30, 36
	N4H7T	All Sizes	All Sizes
	N4H5S		30
	DLCSRB		18, 24, 30

*With new Entry Tier Furnace; Ratings coming soon

CEE Tier 1 South Heat Pump Lineup (Ducted)			
15.2 SEER2 / 11.7 EER2 / 7.8 HSPF2		Furnace	Fan Coil / AHU
Ion System	HVH8	37	25, 37
	H4H7T	All Sizes	All Sizes
	H4H5S	18*, 24*, 30 36, 42*	18, 24, 30 36, 42, 48
Performance Series	DLCURA		18, 24
	N4H7T	All Sizes	All Sizes
	N4H5S	18*, 24*, 30 36, 42*	18, 24, 30 36, 42, 48
	DLCSRB		18, 24

*With new Entry Tier Furnace; Ratings coming soon

CEE Tier 2 North Heat Pump Lineup (Non-Ducted)				
16.0 SEER2 / 9.0 EER2 / 9.5 HSPF2; COP ≥ 1.75 / Cap Ratio 17F / 47F ≥ 58%		High Wall	Cassette	Console
Deluxe Series	DLCPRB	9k, 12k, 18k		
Performance Series	DLCSRB	6k, 9k, 12k, 18k, 24k	6k, 9k, 12k, 18k, 24k	12k, 18k, 24k
	DLCLRC		36k	48k
	DLCM*B	18k, 24k, 30k, 36k, 48k		
	DLCSRB	N/A		

CEE Tier 2 South Heat Pump Lineup (Non-Ducted)				
16.0 SEER2 / 12.0 EER2 / 9.0 HSPF2		High Wall	Cassette	Console
Deluxe Series	DLCPRB	9k, 12k, 18k		
Performance Series	DLCSRB	6k, 9k, 12k, 18k, 24k	6k, 9k, 12k, 18k	12k, 18k
	DLCLRC		N/A	N/A
	DLCM*B	18k, 24k, 30k, 36k		
	DLCSRB	9k		

Air Conditioner, Gas Furnace, and SPP Lineups

CEE Tier 2 Air Conditioner Lineup			
16.0 SEER2 / 12.0 EER2		Furnace	Fan Coil /AHU
Ion System	HVA9	37, 49	37, 49
	H4A7T	All Sizes	All Sizes
	H4A6S	18, 24, 30, 36, 43, 49	18, 24, 30, 36, 43, 49, 61
Performance Series	N4A7T	All Sizes	All Sizes
	N4A5S	18, 24, 30, 36	18, 24, 30, 36
	N4A4S	30*	48
	S4A5S	18, 24, 30, 36, 48	18, 24, 30, 36, 48

* With new Entry Tier Furnace; Ratings coming soon

CEE Tier 3 Gas Furnace Lineup		
≥ 97% AFUE		90%
Ion System	F97CMN	All Sizes
Performance Series	N96VSN*	0601716B 0801716B 0802120B
	N96MSN*	0601716A 0801716A 0802120A

* New model families launching mid-2023, refer to product bulletins for timing of new product availability.

CEE Tier 1 South Packaged Heat Pump Lineup		
15.2 SEER2 / 10.6 EER2 / 7.2 HSPF2	Family	Type
Deluxe Series	PHR5	Packaged Heat Pump

CEE Tier 1 Packaged Air Conditioner Lineup		
15.2 SEER2 / 11.5 EER2	Family	Type
Deluxe Series	PGR5	Packaged AC with Gas Heat System
	PAR5	Packaged Air Conditioner

A WORD OF CAUTION

While we know what the 25C tax credit amounts are and we know what the CEE qualifying criteria is, we DO NOT yet know how the IRS will apply the CEE's criteria. Therefore, it is critical to note that the above list of eligible products may change. We are expecting to have finalized criteria from the IRS later in 2023.

And be sure to remind your customers that they must consult with a qualified tax professional to determine how these credits may apply in their circumstance.

Visit HVACpartners.com or contact your Arcoaire sales representative for the very latest information.

Manufacturer reserves the right to change specifications on its products without notice. Illustrations and photographs in this brochure are only representative. Some product models may vary.

Third-party trademarks and logos are the property of their respective owners.



PO Box 128
Lewisburg, TN 37091

Arcoaire.com

©2023 Carrier. All Rights Reserved.
AP-012-AR-00
06/2023

A Proud Member of the Carrier Family