

New Home Energy Efficiency Act of 2019 ([S.2595](#))
Senators Maggie Hassan and Susan Collins
Representatives Jimmy Gomez and Mike Kelly

Section-by-Section

Sec. 2. Extension of New Energy Efficient Home Credit

The 45L new home energy efficiency credit expired at the end of 2017, and currently remains expired. Previously, this tax credit was available to home builders to cover part of the cost of constructing new homes meeting high energy efficiency standards.

This section would retroactively extend the credit for two years without modifications, allowing the 45L credit to be claimed for 2018 and 2019. This section would also proactively extend the 45L credit through 2020 without modifications.

Sec. 3. Updating New Energy Efficient Home Credit

This section would proactively extend the 25C credit for two years, through 2021 and 2022, with the modifications in this section effective in January 2021.

Increase of credit rate: Previously, the expired section 45L credit covered between \$1,000 and \$2,000 of the cost of building certain new energy efficient homes and dwelling units. Both non-manufactured and manufactured homes that met high energy efficiency standards were eligible for a \$2,000 credit. Manufactured homes that met lower energy efficiency standards were eligible for a \$1,000 credit.

This section would increase the \$2,000 credit to cover \$2,500 of the cost of building new energy efficient homes and dwelling units that meet high energy efficiency standards. Both non-manufactured and manufactured homes meeting these high standards would be eligible for the expanded credit.

Update of heating and cooling energy efficiency standard: Previously, to receive the \$2,000 45L credit, builders of new energy efficient homes were required to achieve at least 50% more heating and cooling energy savings than homes built to the 2006 International Energy Conservation Code (IECC) standard. In addition to meeting this standard, manufactured homes were required to conform to Federal Manufactured Home Construction and Safety Standards to be eligible for the \$2,000 credit.

This section would update the 45L credit to require builders of new energy efficient homes and dwelling units to achieve 60% more heating and cooling energy savings than homes built to the 2006 IECC. Non-manufactured homes that meet this updated standard would receive the expanded \$2,500 credit. Manufactured homes that meet this updated standard, as well as the Construction and Safety Standards above, would receive the expanded \$2,500 credit.

Creation of whole home energy efficiency standard: This section would create an additional energy efficiency standard that, if satisfied, would make new homes and dwelling units eligible for the expanded \$2,500 45L credit. New homes and dwelling units meeting either energy efficiency standard – the 2006 IECC standard above or the new standard below – would be eligible for the \$2,500 credit.

Under this new standard, new homes and dwelling units would be eligible for the expanded 45L credit if they achieve at least 15% more whole home energy savings than homes built to the 2018 International Energy Conservation Code (IECC) standard. Non-manufactured homes that meet this updated standard would receive the expanded \$2,500 credit. Manufactured homes that meet this updated standard, as well as the Construction and Safety Standards above, would receive the expanded \$2,500 credit.