

# FEDERAL TAX CREDIT: Energy Efficient Home Improvement Credit Frequently Asked Questions (FAQs)

Please review the Smith & Noble Manufacturer's Certification Statement and Qualifying Product Document available at [www.smithandnoble.com/tax-credit](http://www.smithandnoble.com/tax-credit) for specific qualifying product details and restrictions, and also consult with your tax advisor to determine other eligibility requirements for claiming this particular Federal Tax Credit opportunity.

Below are answers to some frequently asked questions.

## **Q: What is the Federal Tax Credit for Energy Efficient Home Improvement Credit?**

**A:** To help provide incentives for homeowners to make energy-efficiency home improvements, the federal government offers tax credits as a way to offset the costs of these upgrades. Per the Inflation Reduction Act of 2022, the Federal Tax Credit is available on an annual basis from January 1, 2023–December 31, 2032.

- Qualifying product(s) must be installed in an existing residential principal residence (no secondary homes or rental properties) by December 31 of the qualifying tax year.

## **Q: How does the Federal Tax Credit Work?**

**A:** This is not cash in your hand (like a rebate, which gives you cash back after you've made a purchase), but a tax credit—which is an amount of money that you subtract directly from the taxes that you owe.

## **Q: Which Smith & Noble products currently qualify for the Federal Tax Credit?**

**A:** Certain Smith & Noble Cellular Shades with qualifying fabrics, operating systems and size combinations, that are inside mount over double pane, clear glass windows currently qualify for the Federal Tax Credit. For specific qualifying products, details and restrictions, refer to the Manufacturer's Certification Statement and related Qualifying Product Document available at [www.smithandnoble.com/tax-credit](http://www.smithandnoble.com/tax-credit).

- Products must be installed by December 31 of the qualifying tax year.
- Qualifying products meet applicable energy performance standards as identified in the International Energy Conservation Code (IECC) for U-factor and Solar Heat Gain Coefficient for all climate zones.

## **Q: What is a Manufacturer's Certification Statement?**

**A:** A Manufacturer's Certification Statement is a signed statement from Smith & Noble (which, along with the Qualifying Product Document) certifies whether the specific product purchased by you qualifies for the tax credit, subject to specified product details and restrictions.

- You can find the Smith & Noble Manufacturer's Certification Statement and related Qualifying Product Document at [www.smithandnoble.com/tax-credit](http://www.smithandnoble.com/tax-credit).

## **Q: How much do you receive for the Federal Tax Credit?**

**A:** Qualifying products are eligible for a tax credit equal to 30% of the "purchase price" of the products, up to a maximum annual amount of \$1,200.

- Applicable "purchase price" is the amount paid by you for the product(s), including sales tax, and does not cover the costs for measuring or installing of qualifying products. If sales tax is charged on both the shade and the installation labor, only the portion of the sales tax applicable to the shade, and not any sales tax applicable to the labor, is included in the "purchase price" that you apply to the 30%.

## **Q: What is the maximum Federal Tax Credit amount I can get each qualifying tax year?**

**A:** Even if you purchase multiple qualifying products in a year, the maximum amount of the Federal Tax Credit during any taxable year is \$1,200. For example, if you spend up to \$5,000 during the year on a single qualifying product or multiple qualifying products, you are only eligible to receive 30% up to a \$1,200 cap (30% of \$5,000 = \$1,500 and you receive \$1,200 under the tax credit). Consult with your tax advisor to determine your eligibility for this tax credit.

## **Q: What is the time frame during which the Federal Tax Credit can be earned on qualifying Smith & Noble products?**

**A:** Starting January 1, 2023–December 31, 2032, the \$1,200 annual limit applies, meaning you can claim the maximum credit for each taxable year, for purchases in those years, through year-end 2032. **Note**, however if you purchase a qualifying product in one tax year and install it in your primary residence in a subsequent tax year, you are eligible to receive the tax credit only for such subsequent tax year. But, regardless of when a product is installed the qualification of any product for the credit is determined based upon the Qualifying Product documents in effect during the taxable year in which your product was purchased. The Manufacturer's Certificate must apply to those products and corresponding receipt purchase dates. Consult your tax advisor for further details.

## **Q: What do I need to submit for the Federal Tax Credit?**

**A:** You should retain your itemized Smith & Noble invoice, proof of payment (receipt), a copy of the applicable Manufacturer's Certification Statement and the applicable pages of the Qualifying Product Document that addresses the specific products that you purchased. To claim the tax credit, you will need to complete the applicable IRS forms and submit them with your tax returns. The credit is usually taken on Form 5695. Please note that the IRS may change or update this tax form, so you should consult your tax advisor as to the correct form to file or visit the IRS website.

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