HEAT PUMP PROS — GUIDE

US heat pump tax credits and rebates

Check the federal credit cutoff and the local rebate process before you sign.

Updated November 10, 2026

A federal tax credit and a rebate are different forms of help. A contractor's estimate is not an eligibility decision. Start with the IRS for tax questions and the program administrator for rebate questions.

The credit has a cutoff

The IRS Energy Efficient Home Improvement Credit page says qualifying improvements can be claimed through **December 31, 2025**. The IRS page gives April 28, 2026 as its own review date. It describes the Section 25C credit as **30%** of qualifying expenses, with a separate annual limit of **US$2,000** for qualifying heat pumps, heat pump water heaters and biomass equipment.

These are historical terms. They are not a promise of a credit for an installation after the cutoff. If you are filing for earlier work, use the IRS instructions for that tax year and keep invoices and equipment records. Ask a tax professional about your own return.

DOE rebates are separate

DOE describes the Home Owner Managing Energy Savings program (HOMES) and the Home Electrification and Appliance Rebates (HEAR) program. Its program page says rebates are available in select states. It directs owners to their state or territory energy office for status and eligibility.

Do not treat a national maximum as the amount you will receive. Availability, income checks, eligible work and application steps must be confirmed for your location. A product list entry alone does not settle the application.

Before you pay a deposit

Ask the administrator whether you need approval before work starts. Ask whether the contractor must be enrolled and whether the exact model combination qualifies. Request a written answer about any proposed combination with utility support.

Keep a project folder with the application reference, dated rules, model numbers, quote, invoice and payment records. Ask who will file each document. Do not let an uncertain incentive become the reason to sign a contract you cannot otherwise fund.

Sources

All pages below were fetched and checked on 2026-11-10. The check date is not a promise that intake remains open.

- IRS, Energy Efficient Home Improvement Credit. Checked 2026-11-10.

- US Department of Energy, Home Energy Rebates Program. Checked 2026-11-10.

Frequently asked questions

Can I budget the 25C credit for new work?

The checked IRS page limits improvements to December 31, 2025. Do not assume a credit for later work. Check current IRS instructions and separate rebate programs.