



The Inflation Reduction Act:

The Latest HVAC Updates

As part of the Inflation Reduction Act (IRA), enhanced tax incentives and a new state-administrated point-of-sale rebate program will encourage homeowners to upgrade HVAC systems with heat pumps and high-efficiency air conditioners and furnaces.

Watch below for what homeowners need to know about the IRA.



What Homeowners Need to Know About the Inflation Reduction Act (IRA)

Karen Meyers
VP Global Government Affairs

Watch Now

What Is New For 2023: Recap + Updates

Energy Efficient Home Improvement Credit (25C)

Valuable And Long-term Tax Credit Extension



Effective January 1, 2023, through December 31, 2032



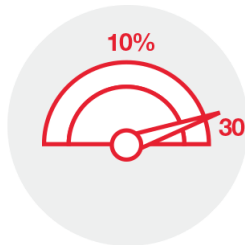
No lifetime tax credit cap



Not limited to primary residences



No income requirements

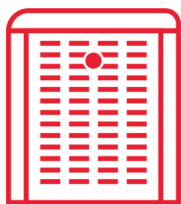


Increases the percentage of the credit from 10 to 30% of equipment & installation cost



Annual \$1,200 nonrefundable cap for eligible HVAC systems, insulation, and air sealing; and a \$2,000 tax credit for eligible heat pumps

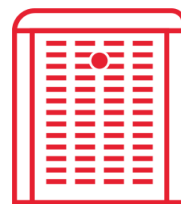
Available Tax Credits



Up to \$2,000 for electric



Up to \$600 for furnaces



Up to \$600 for air

heat pumps

(natural gas, propane or oil)

conditioners

Qualifications



Split & Packaged Air Conditioners & Heat Pumps:

Meet or exceed CEE highest efficiency tier (excluding advanced tier)

UPDATED

Gas Furnaces: $\geq 97\%$ AFUE

What is CEE?

The Consortium of Energy Efficiency (CEE) is a network of gas and electric efficiency program administrators and sets CEE product tiers to differentiate highly-efficient HVAC equipment for incentive and promotion programs.



To Qualify, Homeowners Must Owe Taxes

Tax credit offsets federal taxes owed

Rheem® Equipment Eligible for the Energy Efficient Home Improvement (25C) Tax Credit

IMPORTANT: Listed eligible models are based on CEE Tier Guidance as of 1/19/23.

UPDATED

Split & Packaged Heat Pumps¹:

North²

Split Ducted Heat Pumps

- Qualifications (CEE Tier 1): ≥ 15.2 SEER2, ≥ 10.0 EER2, ≥ 8.1 HSPF2, ≥ 1.75 COP @ 5°F, $\geq 58\%$ @17°F/47°F or $\geq 70\%$ @5°F/47°F
- Eligible Rheem Equipment: RP18AZ24, RP18AZ30, RP18AZ42, RP18AZ48, RP18AZ60, RP15AZ18, RP15AZ24,

South (Southeast³/Southwest⁴)

Split Ducted Heat Pumps

- Qualifications (CEE Tier 1): ≥ 15.2 SEER2, ≥ 11.7 EER2, ≥ 7.8 HSPF2
- Eligible Rheem Equipment: RP18AZ24, RP18AZ30, RP18AZ36, RP18AZ42, RP18AZ48, RP18AZ60, RP15AZ18, RP15AZ24, RP15AZ30, RP15AZ36,

RP15AZ30, RP15AZ36, RP15AZ42,
RP15AZ48, RP15AZ60, RD16AZ24,
RD16AZ30, RD16AZ36

RP15AZ42, RP15AZ48, RP15AZ60,
RD16AZ24, RD16AZ30, RD16AZ36

Split Non-Ducted Heat Pumps

- Qualifications: ≥ 16 SEER2, ≥ 9.0 EER2, ≥ 9.5 HSPF2, ≥ 1.75 COP @ 5°F, $\geq 58\%$ @17°F/47°F or $\geq 70\%$ @5°F/47°F
- Eligible Rheem Equipment:
RO1HHZ12AJ3S, RO1HHZ18AJ3S,
RO1HHZ24AJ3S, RO1HHZ30AJ3S,
RO1HHZ12AJ2S, RO1HHZ09AJ3S,
RO1HHZ12AJ2H, ROSH18VGSN,
ROSH24VGSN, ROSH30VGSN,
RO1HFZ09AJ2S, RO1HFZ12AJ2S,
RO1HFZ15AJ2S, RO1HFZ09AJ2H,
RO1HFZ12AJ2H, RO1HFZ15AJ2H,
RO1HFZ18AJ2H, RO1HFZ24AJ2H,
RO1HFZ30AJ2H, RO1HHZ09AJ2H,
ROMH18FXZHJ, ROMH24FXZHJ,
ROMH36FXZHJ, ROSH18AHXHJ,
ROSH24AHXHJ, ROSH30AHXHJ,
ROSH09AFFHJ, ROSH15AFFHJ,
ROSH09AFFJ, ROSH12AFFJ,
ROSH15AFFJ, RO1HGZ09AJ1S,
RO1HGZ09AJ1H, RO1HGZ12AJ1S,
RO1HGZ12AJ1H, RO1HGZ15AJ1S,
RO1HGZ15AJ1H, RO1HHZ18AJ2S,
RO1HHZ24AJ2S, RO1HHZ09AJ8S,
RO1HHZ12AJ8S, RO1HHZ18AJ8S,
RO1HHZ09AJ2S, RO2HFZ18AJ1H,
RO3HFZ24AJ1H, RO4HFZ36AJ1H,
RP1724HJVXA, ROMH18AFXZJ

Packaged Heat Pumps

- Qualifications: ≥ 15.2 SEER2, ≥ 10.0 EER2, ≥ 8.1 HSPF2, ≥ 1.75 COP @ 5°F, $\geq 58\%$ @17°F/47°F or $\geq 70\%$ @5°F/47°F
- Eligible Rheem Equipment: N/A

Split & Packaged Air Conditioners¹

Split Air Conditioners

- Qualifications (CEE Tier 2): ≥ 16 SEER2, ≥ 12.0 EER2
- Eligible Rheem Equipment: RA18AZ24,
RA18AZ30, RA18AZ36, RA18AZ42,

Split Non-Ducted Heat Pumps

- Qualifications: ≥ 16 SEER2, ≥ 12.0 EER2, ≥ 9.0 HSPF2
- Eligible Rheem Equipment: Split Non-Ducted Heat Pumps RO1HHZ18AJ3S,
RO1HHZ12AJ2S, RO1HHZ09AJ3S,
RO1HHZ12AJ2H, ROSH18VGSN,
ROSH24VGSN, RO1HFZ09AJ2S,
RO1HFZ12AJ2S, RO1HFZ15AJ2S,
RO1HFZ09AJ2H, RO1HFZ12AJ2H,
RO1HFZ15AJ2H, RO1HFZ18AJ2H,
RO1HFZ24AJ2H, RO1HFZ30AJ2H,
RO1HHZ09AJ2H, ROMH18FXZHJ,
ROMH24FXZHJ, ROMH36FXZHJ,
ROSH18AHXHJ, ROSH24AHXHJ,
ROSH30AHXHJ, ROSH09AFFHJ,
ROSH12AFFHJ, ROSH15AFFHJ,
ROSH09AFFJ, ROSH12AFFJ,
ROSH15AFFJ, RO1HGZ09AJ1S,
RO1HGZ09AJ1H, RO1HGZ12AJ1S,
RO1HGZ12AJ1H, RO1HGZ15AJ1S,
RO1HGZ15AJ1H, RO1HHZ18AJ2S,
RO1HHZ24AJ2S, RO1HHZ09AJ8S,
RO1HHZ12AJ8S, RO1HHZ18AJ8S,
RO1HHZ09AJ2S, RO2HFZ18AJ1H,
RO3HFZ24AJ1H, RO4HFZ36AJ1H,
RP1724HJVXA, ROMH18AFXZJ

Packaged Heat Pumps

- Qualifications: ≥ 15.2 SEER2, ≥ 10.6 EER2, ≥ 7.2 HSPF2
- Eligible Rheem Equipment: RHPAZS024,
RHPXZS036, RHPXZS048, RHPXZS060,
RHPBZS024, RHPBZS036, RHPBZS048,
RHPBZS060 (*Coming Summer 2023*)

RA18AZ48, RA14AZ18, RA14AZ24,
RA14AZ30

Gas, Propane or Oil Furnaces & Fans:

Packaged Air Conditioners

- Qualifications: ≥ 15.2 SEER2, ≥ 11.5 EER2)
- Eligible Rheem Equipment: RACAZS024, RACAZS036, RACXZS048, RACXZS060, RGEAZS024, RGEAZS036, RGEXZS048, RGEXZS060 (*Coming Spring 2023*)

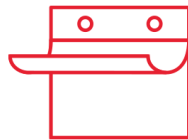
Gas Furnaces

- Qualifications: $\geq 97\%$ AFUE
- Eligible Rheem Equipment: R98MV, R97MV

High Efficiency Electric Home Rebate Program (HEEHRP)

Point of Sale Rebates on Qualifying Heat Pumps, Panel Replacements and Electrical Wiring

Program launch is expected no sooner than Q4 2023 / Q1 2024



Funds apportioned to states based on population formula

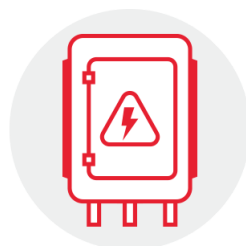
Eligible heat pumps systems are ENERGY STAR® certified



States could contract rebate function to 3rd parties for multifamily customers for installation of electrification equipment

Available Rebates Based on Income

<80% of Area Median Income



Up to \$14,000 per household

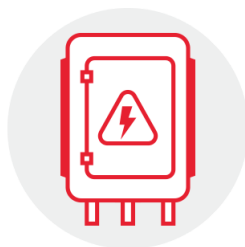
Up to \$8,000 for air source
heat pumps

Up to \$4,000 for panel
replacement

80–150% of Area Median Income



Up to \$4,000 for air source
heat pumps



Up to \$2,000 for panel
replacement



Up to \$7,000 per household

Rheem® Equipment Eligible for the High Efficiency Electric Home Rebate Program (HEEHRP)

IMPORTANT: Listed eligible models are based on ENERGY STAR® 6.1 Performance Criteria as of 12/15/22.

Split Heat Pumps⁵:

- **Eligible Rheem Equipment:** RP18AZ
- **Eligible Heat Pumps Coming Soon:**
 - RP15AZ – Our new 15.2 SEER2 heat pump family is designed with ENERGY STAR® in mind. Look for additional product information early in 2023, including product specifications and AHRI certified ratings
 - RD16AZ – Our Sound and Space Solution has been refreshed for 2023, with a new model number and some exciting new features. Look for additional product information early in 2023, including product specification and AHRI certified ratings
 - RD17AZ – Our newest heat pump design, offering a flexible combination of system matchups in a compact footprint, is launching in mid-2023

Frequently Asked Questions

UPDATED

New IRS issued FAQs — [Click Here](#)

Q: Is the \$2,000 Tax Credit for a Heat Pump system conditioned on replacing a central air conditioner and furnace?

A: No, replacement systems are eligible and consumers who chose to replace an existing heat pump with a new heat pump can claim the credit.

Q: When will the High Efficiency Electric Home Rebate Program Launch?

A: The Department of Energy is expected to issue rebate program rules in Q2 2023 and we expect the states to set up rebate programs for state constituent participation in Q3 and Q4 of 2023.

Q: Can a customer claim both a High Energy Efficient Home Improvement Tax Credit and a rebate through the High Efficiency Electric Home Rebate Program?

A: There is no statutory prohibition on a customer claiming both a credit and rebate, but the U.S. Treasury Department must issue final implementing rules on incentive layering and Rheem will provide additional details in Q1 2023.

1 After 1/1/2023, visit ahridirectory.org to obtain an AHRI certificate with the system combinations efficiency ratings to confirm tax credit qualifications.

2 North states include: Alaska, Colorado, Connecticut, Idaho, Illinois, Indiana, Iowa, Kansas, Maine, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New York, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, South Dakota, Utah, Vermont, Washington, West Virginia Wisconsin, and Wyoming.

3 Southeast states include: Alabama, Arkansas, Delaware, Florida, Georgia, Hawaii, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and the District of Columbia, U.S. Territories.

4 Southwest states include: Arizona, California, Nevada, and New Mexico.

5 The models qualify only when installed as part of a matched system combination that meet 2023 ENERGY STAR® criteria.

READ MORE

For updates on these tax incentives and other changes as we get into 2023,
keep watching [Rheem.com/HVACKnowZone](https://www.rheem.com/HVACKnowZone).



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