**VIA EMAIL**

January #, 2025

The Honorable Mike Crapo The Honorable Jason Smith

Chairman, Committee on Finance Chairman, Ways and Means Committee

United States Senate House of Representatives

Washington, D.C.  20510 Washington, D.C.  20515

The Honorable Ron Wyden The Honorable Richard Neal

Ranking Member, Committee on Finance Ranking Member, Ways and Means

United States Senate Committee

Washington, D.C.  20510 House of Representatives

Washington, D.C.  20515

RE: 45L Energy Efficient Home Tax Credit

Dear Chairman Crapo, Chairman Smith, Ranking Member Wyden, and Ranking Member Neal:

We, the signatories of this letter support the 45L energy efficient home tax credit and ask that it not be legislatively eliminated or weakened.

We represent home energy rating companies, the construction industry and product manufacturers and suppliers that form the backbone of the U.S. energy efficiency industry.  Our workforce is deeply rooted in communities across every state who contribute to local economies and advance energy savings nationwide, all while creating jobs that cannot be outsourced.

The legislation creating the 45L tax credit had bipartisan sponsors and was signed into law by President George W. Bush in 2005.  It provided $2,000 to homebuilders who built and sold homes that were more efficient than the 2006 International Conservation Code (IECC).  Over time, inflation diminished the value of the credit and over the years the IECC has become more energy efficient stringent   In addition, the tax credit with its dated target and lack of quality assurance oversight resulted in an unjustified cost to the federal treasury Yearly uncertainty over reauthorization also limited its effectiveness.

In 2022 Congress addressed these issues by updated the tax credit by extending the program to 2031, Congress reforms provided long-term certainty and tied the credits to the federal Environmental Protection Agency’s ENERGY STAR Homes and the U.S. Department of Energy’s Zero Energy Ready Program.

The 45L tax credit enables builders to invest in more energy upgrades to their homes they sell.  These investments unlock energy savings that decrease monthly utility bills.  RESNET calculates that an ENERGY STAR home will save more than10% energy than a standard home built to today’s energy codes. This can net significant savings annually to the homeowner. For most families, utility bills are the largest home ownership cost outside of the mortgage loan.

Beyond the pocketbook benefit to homeowners, there are multiple compelling reasons to support the 45L tax credit and make our nation’s homes more energy efficient:

* Energy-efficient homes are more resilient in extreme weather
* Energy-efficient homes are healthier homes, and
* Building energy efficiency enables utilities to better manage demands on the electrical grid.

It is for these reasons that we urge Congress to maintain the current 45L tax credit.

Sincerely,