

# Air Source Heat Pump Incentives



## Low-Cost Financing | depending on household income.

Center for Energy and Environment (CEE) offers financing for energy upgrades, including heat pumps, through several loan programs such as the MHFA Fix Up Fund, city-specific programs, and more. Approval is subject to program guidelines, please review all loan terms before applying.

## State Rebates | Up to \$4,000 (coming soon!)

Additional Minnesota state rebates will be available for heat pumps. To qualify, customers must:

- Apply for and/or receive the related federal rebate
- Have an energy audit within the last 18 months
- Perform necessary insulation upgrades
- Purchase and install heat pump of contractor-recommended capacity

This program is still under development. Please refer to the MN Department of Commerce webpage for the most current updates.

## Utility Rebates | Up to \$2,200

Utility heat pump rebates range from \$50 to \$2,200, depending on system type and size. Visit our utility rebates database to see what your utility offers.

## Federal Tax Credits | Up to \$2,000

Heat pumps installed between 1/1/2023 and 12/31/2032 may qualify for the Energy Efficient Home Improvement Credit (also known as the 25C tax credit). The amount of credit that can be claimed for a heat pump is equal to 30% of total project costs, up to \$2,000. A dual fuel system where a heat pump and furnace are both installed could qualify for \$2,600 (qualifying furnaces are eligible for an additional \$600 tax credit). Tax credits are subject to federal program availability.

## Utility Electric Rates

Many utilities offer special electric rates that lower the cost to operate a heat pump. Visit our cost of heat comparison resource for help estimating your annual energy costs of operating a heat pump with different system configurations, utilities, and rate types.

Learn more here!

