

Part III - Administrative, Procedural, and Miscellaneous

Request for Comments on Product Identification Numbers and the Energy Efficient Home Improvement Credit under Section 25C

Notice 2024-13

SECTION 1. PURPOSE

This notice announces that the Department of the Treasury (Treasury Department) and the Internal Revenue Service (IRS) intend to propose regulations to implement the product identification number (PIN) requirement with respect to the energy efficient home improvement credit under § 25C of the Internal Revenue Code (Code),¹ as amended by § 13301 of Public Law 117-169, 136. Stat. 1818 (August 16, 2022), commonly known as the Inflation Reduction Act of 2022 (IRA). This notice requests comments on the PIN requirement under § 25C(h) (PIN requirement). Section 2 of this notice provides a background description of § 25C, including the PIN requirement. Section 3 of this notice contains general requests for comments. Section 4 of this notice describes a possible PIN assignment system and contains a specific request for comments on the system. Section 5 of this notice requests comments on providing PIN information to consumers and the IRS. Section 6 of this notice provides

¹ Unless otherwise specified, all “section” or “§” references are to sections of the Code.

the method for submitting comments. Comments received in response to this notice will help inform the development of the proposed regulations implementing the PIN requirement.

SECTION 2. BACKGROUND

.01 Energy Efficient Home Improvement Credit Generally.

(1) Section 25C was originally enacted by § 1333(a) of the Energy Policy Act of 2005, Public Law 109-58, 119 Stat. 594, 1026 (August 8, 2005), to provide the nonbusiness energy property credit for the purchase and installation of certain energy efficient improvements in taxpayers' principal residences. Section 25C has been amended several times, most recently by § 13301 of the IRA, which renamed this provision the "energy efficient home improvement credit" (§ 25C credit).

(2) Before the enactment of the IRA, § 25C had expired on December 31, 2021. Section 13301(a) of the IRA amended § 25C(g) to make the § 25C credit available from January 1, 2022, through December 31, 2032.

(3) Section 13301(b) of the IRA amended § 25C(a) to allow a credit for 30 percent of amounts paid or incurred by individual taxpayers during the taxable year for qualified energy efficiency improvements and residential energy property expenditures. As amended by § 13301(c) of the IRA, the § 25C credit is generally limited to an annual cap of \$1,200. Within this \$1,200 limitation, § 25C(b) sets forth further annual caps for certain categories of improvements. As relevant to this notice, the caps and categories of improvements under these limitations are as follows:

- (A) \$600 for any item of qualified energy property, as defined in § 25C(d)(2);
- (B) \$600 for exterior windows and skylights;

(C) \$250 for any single exterior door; and

(D) \$500 in the aggregate for all exterior doors.

(4) Notwithstanding the \$1,200 annual limitation (and its internal limitations), amounts paid or incurred for heat pumps, heat pump water heaters, biomass stoves, and biomass boilers are allowed a separate and aggregate annual credit of up to \$2,000.

(5) Section 13301(i) of the IRA provides the effective dates for the IRA amendments to § 25C. In general, except as provided in § 13301(i)(2) and (3), the IRA amendments apply to property placed in service after December 31, 2022. Section 13301(i)(2) of the IRA provides that amendments made by § 13301(a) of the IRA relating to the extension of the credit apply to property placed in service after December 31, 2021. Section 13301(i)(3) of the IRA provides that amendments made by § 13301(g) of the IRA relating to the PIN requirement apply to property placed in service after December 31, 2024.

.02 PIN Requirement for Specified Property.

(1) Section 13301(g) of the IRA adds new § 25C(h), which imposes the PIN requirement. Section 25C(h)(1) provides that no § 25C credit is allowed for any item of specified property placed in service after December 31, 2024, unless--

(A) such item is produced by a qualified manufacturer, and

(B) the taxpayer includes the qualified PIN of such item on the return of tax for the taxable year.

(2) Section 25C(h)(2) defines “qualified product identification number” as, with respect to any item of specified property, the product identification number assigned to

such item by the qualified manufacturer pursuant to the methodology referred to in § 25C(h)(3).

(3) Section 25C(h)(3) defines “qualified manufacturer” as any manufacturer of specified property that enters into an agreement with the Secretary of the Treasury or her delegate (Secretary) that provides that such manufacturer will--

(A) assign a PIN *to each item of specified property* produced by such manufacturer utilizing a methodology that will ensure that such number (including any alphanumeric) is unique to each such item (by utilizing numbers or letters that are unique to such manufacturer or by such other method as the Secretary may provide),

(B) label such item with such number in such manner as the Secretary may provide, and

(C) make periodic written reports to the Secretary (at such times and in such manner as the Secretary may provide) of the PINs so assigned and including such information as the Secretary may require with respect to the item of specified property to which such number was so assigned.

(4) Section 25C(h)(4) defines “specified property” as any “qualified energy property” and any property described in § 25C(c)(3)(B) or (C) (exterior windows, including skylights, and exterior doors).

(5) Section 25C(d)(2) defines “qualified energy property” as:

(A) Any of the following that meet or exceed the highest efficiency tier (not including any advanced tier) established by the Consortium for Energy Efficiency that is in effect as of the beginning of the calendar year in which the property is placed in service:

- (i) an electric or natural gas heat pump water heater,
- (ii) an electric or natural gas heat pump,
- (iii) a central air conditioner,
- (iv) a natural gas, propane, or oil water heater, or
- (v) a natural gas, propane, or oil furnace or hot water boiler;

(B) A biomass stove or boiler that

(i) uses the burning of biomass fuel to heat a dwelling unit located in the United States and used as a residence by the taxpayer, or to heat water for use in such a dwelling unit, and

(ii) has a thermal efficiency rating of at least 75 percent (measured by the higher heating value of the fuel);

(C) Any oil furnace or hot water boiler that--

(i) is placed in service after December 31, 2022, and before January 1, 2027, meets or exceeds 2021 Energy Star efficiency criteria, and is rated by the manufacturer for use with fuel blends at least 20 percent of the volume of which consists of an eligible fuel, as defined in § 25C(d)(3) (eligible fuel), or

(ii) is placed in service after December 31, 2026, achieves an annual fuel utilization efficiency rate of not less than 90, and is rated by the manufacturer for use with fuel blends at least 50 percent of the volume of which consists of an eligible fuel ;
and

(D) Any improvement to, or replacement of, a panelboard, sub-panelboard, branch circuits, or feeders that

(i) is installed in a manner consistent with the National Electric Code,

(ii) has a load capacity of not less than 200 amps,

(iii) is installed in conjunction with

(I) any qualified energy efficiency improvements, or

(II) any qualified energy property described in § 25C(d)(2)(A) through (C)

for which a §25C credit is allowed for expenditures with respect to such property, and

(iv) enables the installation and use of any qualified energy efficiency

improvements or any qualified energy property described in § 25C(d)(2)(A) through (C)).

(6) Property described in § 25C(c)(3)(B) or (C) includes:

(A) exterior windows, including skylights, and

(B) exterior doors.

.03 Math Error Authority

Section 6213(b)(1) authorizes the IRS to make certain assessments of mathematical or clerical errors without first issuing a notice of deficiency under section 6213(a). In lieu of a notice of deficiency giving the taxpayer 90 days to file a petition in the Tax Court, section 6213(b)(1) requires the IRS to provide the taxpayer notice that an assessment has been or will be made based on a mathematical or clerical error.

Section 6213(b)(2)(A) provides that the taxpayer has 60 days to request an abatement of such assessment. If the taxpayer timely requests abatement, then the IRS must abate the assessment.

Section 13301(g)(2) of the IRA amended § 6213(g)(2) to expand the definition of a “mathematical or clerical error,” over which the IRS has math error authority, to include an “an omission of a correct product identification number required under section 25C(h) (relating to credit for nonbusiness energy property) to be included on a return.”

Accordingly, the IRS will not issue a claimed credit if it appears that there is a PIN error.

.04 Notice 2022-48 and Comments Received

(1) In [Notice 2022-48](#), 2022-43 I.R.B. 305, the Treasury Department and the IRS requested comments on various questions arising from the IRA's energy efficiency provisions, including §§ 25C, 25D, 45L and 179D.

(2) Specific to § 25C(h), Notice 2022-48 requested comments on what the Treasury Department and the IRS should consider (1) in determining the manner of agreements between the IRS and a qualified manufacturer, (2) in developing a methodology to ensure that each PIN is unique *to each item of specified property*, (3) in prescribing the manner by which specified property must be labeled with a unique PIN, and (4) in developing the requirements for qualified manufacturers' periodic written reports.

(3) In response, some commenters suggested the use of existing numbering systems to satisfy the PIN requirement. For example, commenters suggested using product serial numbers or stock-keeping unit numbers (SKUs) to satisfy the PIN requirement. Generally, manufacturers routinely assign serial numbers to specific items, which achieves the specificity suggested by the statutory text. The Treasury Department and the IRS, however, are concerned that the systems that manufacturers employ to assign serial numbers are not uniform by product or manufacturer. For example, a manufacturer of a particular product may use an 8-digit serial number consisting of numbers for each item of product line while a different manufacturer of a similar product may use a 14-digit serial number consisting of both numbers and letters. Additionally, some manufacturers change their serial numbers for products over time.

For example, a manufacturer may use a 9-digit serial number consisting partly of letters for certain years and an 8-digit serial number consisting only of numbers for other years. Similarly, SKUs are specific to each merchant or manufacturer. This lack of uniformity in serial numbers and SKUs would create processing challenges for the IRS and could also cause confusion for consumers claiming the § 25C credit. Additionally, certain categories of products, like exterior windows, doors, and skylights, do not currently have unique serial numbers for each window, door, or skylight manufactured but instead are assigned numbers that identify multiple windows, doors, or skylights as belonging to a specific product line of such items.

(4) Other commenters suggested using product line numbers or universal product codes (UPCs) to satisfy the PIN requirement. Regarding product line numbers, some commenters pointed to the National Fenestration Rating Council's (NFRC) Certified Product Directory for exterior windows, doors, and skylights. However, because the NFRC system assigns the same product line number to multiple (or all) items in a specific product line, these numbers will not provide the specificity needed to satisfy the requirement of § 25C(h), which ensures that duplicate or fraudulent claims for the § 25C credit are not made for the same item. UPCs are a multi-digit code assigned to products by manufacturers. Manufacturers and others employ UPCs for tracking and selling inventory. Like the NFRC numbers, however, UPCs are generally assigned per product type, and not per specific item. Therefore, while UPCs can vary based on product differences, they also do not satisfy the specificity requirement of § 25C(h).

(5) To permit the IRS to adhere to and to sufficiently enforce the statutory PIN

requirement, to use its math error authority in § 6213(g)(2), and to provide certainty to consumers who want to claim the § 25C credit, the Treasury Department and the IRS have determined that it is necessary to develop a system that assigns PINs to each unique item of specified property. The Treasury Department and the IRS seek to balance the administrative benefits and taxpayer clarity provided by a unique PIN system against the burden that this requirement would impose on manufacturers and retailers.

SECTION 3. GENERAL COMMENT REQUEST

The Treasury Department and the IRS request comments on the following questions that will inform the development of a system to assign unique PINs to each item of specified property, as required under § 25C(h):

.01 For manufacturers, how many different products do you manufacture and/or sell that would qualify as specified property under § 25C(h)(4)? Commenters are encouraged to list their different product types, product lines, as well as the approximate annual number of unique items manufactured and/or sold for each product line that could constitute “specified property.”

.02 Is there a system by which all manufacturers of “specified property” assign unique identification numbers *to each item* of a manufactured product? If so, please identify the system and how each manufacturer assigns a unique identification number to each item of a manufactured product. Please also explain any deviations that exist in each manufacturer’s system for assigning numbers (for example, some using all numbers or a combination of numbers and letters).

.03 If there is not a system described in section 3.02 of this notice, but there is a

system that applies unique identification numbers to each item within a particular product type industry-wide, please identify the system, describe what products it applies to and products of similar functions that it does not apply to, and explain how each manufacturer assigns a number to each item of manufactured product using the system. Please also explain any deviations that exist in each manufacturer's system for assigning numbers.

SECTION 4. POSSIBLE PIN ASSIGNMENT SYSTEM AND SPECIFIC REQUEST FOR COMMENTS

The Treasury Department and the IRS are considering implementing a PIN assignment system, the process for which is described generally in section 4.01 of this notice. The system would use 17-digit PINs that are assigned to each item of specified property that qualifies for the § 25C credit. The PIN for each item of specified property would be made up of three parts. The first part of the PIN would be a "QM Number" specific to the qualified manufacturer. The second part of the PIN would be a "Product Number" specific to the specified property product line that qualifies for the § 25C credit. The third part of the PIN would reflect the year of manufacture. The fourth part of the PIN would be an "Item number" that is unique to each *item* of specified property. The system would require manufacturers to register to be a qualified manufacturer with the IRS. Only if registration is successful would any PINs be assigned to the manufacturer's items of specified property. The Treasury Department and the IRS request comments on the proposed system.

.01 Possible PIN Assignment System Process.

(A) The manufacturer would register with the IRS to be a qualified manufacturer (QM) in accordance with § 25C(h)(3).

(B) If the registration is successful, the manufacturer would become a qualified manufacturer, and the IRS would issue to the qualified manufacturer a QM Number and a list of Product Numbers that correspond to specified products that qualify for the § 25C credit. QM Numbers and Product Numbers would only include alphanumeric characters. For purposes of this notice, “alphanumeric characters” refers only to 24 letters of the English alphabet (A through Z, but not I or O to avoid confusion with 1 and 0) and the numerals 0, 1, 2, 3, 4, 5, 6, 7, 8, and 9.

(C) The qualified manufacturer would then assign Item numbers to each *unique item* of specified property in any fashion it chooses (for example, sequentially, partially incorporating the year and/or month of manufacture, or incorporating a part or all of the serial number that the manufacturer has assigned to the item), provided that the Item numbers only include alphanumeric characters, and provided that the PIN is unique for each item and is 17 alphanumeric characters in overall length (including the QM Number, the Product Number, and the character(s) identifying the year of manufacture).

(D) Throughout the calendar year, the qualified manufacturer would file a list of PINs representing each item of specified property manufactured by the manufacturer to the IRS through an online portal² before, or potentially shortly after, the end of the calendar year. The qualified manufacturer would stamp or label its products with their PINs, and would also, potentially through a retailer, distributor, or contractor, furnish the PINs to each consumer for the consumers to report on their tax returns when the § 25C credit is claimed. See section 5 of this notice for comment requests on providing PINs to customers and the IRS.

² Similar to the IRS [Clean Vehicle Credit portal](#).

.02 Example. Manufacturer X manufactures exterior windows. On June 1, 2024, Manufacturer X successfully registers with the IRS to be a qualified manufacturer and the IRS assigns a QM Number of 1234 to Manufacturer X. The IRS also provides Manufacturer X a Product Numbers list, in which exterior windows that qualify for the § 25C credit are assigned number 01. Manufacturer X anticipates that, in calendar year 2025, it will manufacture 50,000 exterior windows that will qualify for the § 25C credit and decides to assign numbers to each exterior window sequentially based on the time of manufacture. Accordingly, Manufacturer X assigns PINs of 12340125000000001 through 12340125000050000 to the exterior windows it produces in calendar year 2025. Also in calendar year 2025, Consumer Y purchases and places in service the exterior window bearing the PIN 12340125000000001. Before or potentially shortly after January 1, 2026, Manufacturer X notifies the IRS of this PIN through a report filed through the IRS Energy Credits Online portal. Additionally, Consumer Y has been made aware of the PIN unique to the exterior window purchased by Consumer Y to report on their return.

.03 The Treasury Department and the IRS request comments on the PIN assignment system described in section 4.01 of this notice. Specifically, the Treasury Department and the IRS request comments on the following:

(A) What challenges would manufacturers and/or retailers have in implementing and complying with the PIN assignment system described in section 4.01 of this notice? What would be the costs and timeline for manufacturers and retailers of implementing and complying with the proposed system? Are there cases where manufacturers or other stakeholders would decline to employ the system because compliance would be

overly burdensome? Commenters are encouraged to specifically identify types and amounts of costs that manufacturers and retailers would need to incur in implementing and complying with the proposed system, as well as specific aspects of the proposal that would require set amounts of time to develop and implement.

(B) If the Treasury Department and the IRS were to implement the PIN assignment system described in section 4.01 of this notice, what changes or exceptions, if any, should be made? For example, is guidance regarding a transition period needed for specified property that may be placed in service after December 31, 2024, but is no longer in possession of the manufacturer or trackable by the manufacturer on the date they successfully register with the IRS, because the specified property has already been sold to a distributor or retailer? Do some categories of specified property, or components of specified property, have a low retail cost or profit margin such that assigning a PIN to each item would be cost-prohibitive? Please also provide recommendations on any possible demarcation between items or categories of specified property that would need a PIN, or for which a pin would be impractical, and those that would not need a PIN and the basis for such demarcation consistent with the purposes of the statutory PIN requirement to prevent duplicative or fraudulent credit claims.

(C) If the Treasury Department and the IRS were to implement the PIN assignment system described in section 4.01 of this notice for some items of specified property, but not others, would there be additional costs incurred for manufacturers and/or retailers? What would those additional costs be?

(D) What challenges, if any, exist due to customizable products? What

limitations, if any, does specified property that is sold in one or more parts to form an eligible system (for example, an eligible heat pump system that is comprised of an indoor unit, outdoor unit and air mover) pose in assigning unique PINs?

(E) If the Treasury Department and the IRS were to implement the PIN assignment system described in section 4.01 of this notice, with what frequency (daily, monthly, quarterly, annually) could manufacturers provide information to the IRS, retailers, and/or consumers on available specified property?

(F) What modifications could be made to the PIN assignment system described in section 4.01 of this notice to accommodate limitations while still achieving adherence to the specificity requirement?

SECTION 5. SPECIFIC REQUEST FOR COMMENTS ON PROVIDING PINs TO CONSUMERS AND THE IRS

If a PIN assignment system substantially similar to the one described in section 4 of this notice is developed, the Treasury Department and the IRS request comments on how manufacturers (and/or other parties) would provide each unique PIN to consumers and to the IRS to ensure appropriate matching to avoid duplicate or fraudulent credit claims. Specifically, the Treasury Department and the IRS request comments on:

.01 What processes or systems could manufacturers, retailers, distributors, contractors, and/or trade organizations put in place to ensure that consumers can confirm whether a particular item of specified property qualifies for a § 25C credit? For example, could manufacturers, retailers, distributors, contractors, and/or trade organizations provide a certification to consumers listing which of the manufacturers' products qualify for the § 25C credit? How could manufacturers, retailers, distributors, contractors, and/or trade organizations make eligible property easily identifiable for

consumers? Would manufacturers and/or retailers prefer to provide PIN information to consumers on receipts at the time of sale or after installation of the product (if different in time)? Would a system where the PIN is provided on or inside the product's packaging and not on the product itself suffice in certain situations? Could manufacturers and/or retailers provide information on the credit limitations to customers (for example, that the § 25C credit for any eligible single exterior door cannot exceed \$250 for any taxable year under § 25C(b)(4)(A))? How does the use of contractors or subcontractors (such as installers) help or limit the ability of manufacturers and/or retailers to put into place any processes or systems relating to the PIN requirement, and if so, please describe?

.02 What processes or systems could manufacturers and/or retailers put into place that would both comply with the labeling requirement under § 25C(h)(3)(B) and adhere to § 25C(h)'s aim to prevent duplicate or fraudulent claims for the § 25C credit for the same unique item of specified property? Could manufacturers and/or retailers employ their own labeling system(s) to provide both the relevant PIN and other relevant information relating to the § 25C credit? Would a receipt be sufficient to meet the labeling requirement? How burdensome would it be to place a physical label on each unique item of specified property containing the relevant PIN and other relevant information relating to the § 25C credit, and would it be less burdensome for manufacturers to place this type of label on certain categories of property than for other categories of property? Would manufacturers and/or retailers provide an information sheet to consumers with each product purchased by the consumer and listing the PIN that applies to each product? What systems and processes could manufacturers and/or

retailers and contractors employ that would help ensure that the PIN is only made available to the consumer who purchases that item?

.03 What processes or systems could manufacturers put into place to ensure that the IRS has the appropriate list of PINs for each unique item of specified property that have been placed in service beginning in 2025? Are there any limitations to manufacturers uploading PIN information to an online portal, such as IRS Energy Credits Online?

SECTION 6. SUBMISSION OF COMMENTS

.01 Written comments should be submitted by February 27, 2024. Consideration will be given, however, to any written comment received after February 27, 2024, if such consideration will not delay the issuance of guidance. The subject line for the comments should include a reference to Notice 2024-13. Comments may be submitted in one of two ways:

(1) Electronically via the Federal eRulemaking Portal at <https://www.regulations.gov> (type IRS-2024-13 in the search field on the regulations.gov homepage to find this notice and submit comments).

(2) Alternatively, by mail to: Internal Revenue Service, CC:PA:LPD:PR (Notice 2024-13), Room 5203, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044.

.02 All commenters are strongly encouraged to submit comments electronically. The Treasury Department and the IRS will publish for public availability any comment submitted electronically, or on paper, to the IRS's public docket on regulations.gov.

SECTION 6. CONTACT INFORMATION

The principal author of this notice is Kevin I. Babitz, Office of Associate Chief

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Counsel (Passthroughs & Special Industries). For further information regarding this notice, contact Mr. Babitz at (202) 317-6853 (not a toll-free call).