

federal tax credit:

energy efficient home improvement credit frequently asked questions (FAQs)



Please review the Enlightened Style Manufacturer's Certification Statement and the Enlightened Style Qualifying Product Document available at www.enlightenedstyle.com/tax-credit for specific qualifying product details and restrictions, and also consult with your tax advisor to determine other eligibility requirements for claiming this particular Federal Tax Credit opportunity that is valid through December 31, 2025.

Below are answers to some frequently asked questions.

Q: Will Enlightened Style be able to offer the Federal Tax Credit Program going forward?

A: Per the One Big Beautiful Bill Act Section 25C Energy Efficient Home Improvement Tax Credit will terminate December 31, 2025.

Q: Will the Shades I bought this year qualify for the tax credit?

A: If the purchase and installation of the qualifying shades occurs before December 31, 2025, then a consumer will be able to claim the tax credit for the tax year 2025.

Q: Are Enlightened Style qualifying products subject to 2025 Qualified Manufacturer and PIN Requirements?

A: Specific Enlightened Style Honeycomb and Latour Shade products qualify under the section 25C Energy Efficient Home Improvement Credit, as an insulating building envelope component, and, therefore are not subject to qualified manufacturer and PIN requirements.

Q: What is the Federal Tax Credit for Energy Efficient Home Improvement Credit?

- A: To help provide incentives for homeowners to make energy-efficient home improvements, the federal government offers tax credits as a way to offset the costs of these upgrades. Per the Inflation Reduction Act of 2022, the Federal Tax Credit is available on an annual basis through December 31, 2025.
- Qualifying product(s) must be installed in an existing residential principal residence (no secondary homes or rental properties) by December 31 of the qualifying tax year.

Q: How does the Federal Tax Credit Work?

A: This is not cash in your hand (like a rebate, which gives you cash back after you've made a purchase), but a tax credit—which is an amount of money that you subtract directly from the taxes that you owe.

Q: Which Enlightened Style products currently qualify for the Federal Tax Credit?

A: Certain Enlightened Style Honeycomb and Latour Shades with qualifying fabrics, operating systems and size combinations, that are inside mount over double pane, clear glass windows currently qualify for the Federal Tax Credit. For specific qualifying products, details and restrictions, refer to the Manufacturer's Certification Statement and related Qualifying Product Document available at www.enlightenedstyle.com/tax-credit.

- Products must be installed by December 31 of the qualifying tax year.
- Qualifying products meet applicable energy performance standards as identified in the International Energy Conservation Code (IECC) for U-factor and Solar Heat Gain Coefficient for the specified zones.
- Smart Home Collection shades must be purchased with Smart Home Collection Bridge in order to qualify.

Q: What is a Manufacturer's Certification Statement?

A: A Manufacturer's Certification Statement is a signed statement from Custom Brands Group (which, along with the Qualifying Product Document) certifies whether the specific product purchased by you qualifies for the tax credit, subject to specified product details and restrictions.

- You can find the Manufacturer's Certification Statement and related Qualifying Product Document at www.enlightenedstyle.com/tax-credit.

Q: How much do you receive for the Federal Tax Credit?

- A: Qualifying products are eligible for a tax credit equal to 30% of the "purchase price" of the products, up to a maximum annual amount of \$1,200.
- Applicable "purchase price" is the amount paid by you for the product(s), including sales tax, and does not cover the costs for measuring or installing of qualifying products. If sales tax is charged on both the shade and the installation labor, only the portion of the sales tax applicable to the shade, and not any sales tax applicable to the labor, is included in the "purchase price" that you apply to the 30%.

Q: What is the maximum Federal Tax Credit amount I can get each qualifying tax year?

A: Even if you purchase multiple qualifying products in a year, the maximum amount of the Federal Tax Credit during any taxable year is \$1,200. For example, if you spend up to \$5,000 during the year on a single qualifying product or multiple qualifying products, you are only eligible to receive 30% up to a \$1,200 cap (30% of \$5,000 = \$1,500 and you receive \$1,200 under the tax credit). Consult with your tax advisor to determine your eligibility for this tax credit.

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Q: What is the time frame during which the Federal Tax Credit can be earned on qualifying Enlightened Style products?

A: Starting August 1, 2023–December 31, 2025, the \$1,200 annual limit applies, meaning you can claim the maximum credit for each taxable year, for purchases in those years, through year-end 2025. The Manufacturer's Certification Statement must apply to those products and corresponding receipt purchase dates. Consult your tax advisor for further details.

Q: What do I need to submit for the Federal Tax Credit?

A: You should retain your itemized Enlightened Style invoice, proof of payment (receipt), a copy of the applicable Manufacturer's Certification Statement and the applicable pages of the Qualifying Product Document that addresses the specific products that you purchased. We recommend that you keep all Enlightened Style tax documents for a minimum of 4 years but please consult with your tax advisor about long term requirements. To claim the tax credit, you will need to complete the applicable IRS forms and submit them with your tax returns. The credit is usually taken on Form 5695. Please note that the IRS may change or update this tax form, so you should consult your tax advisor as to the correct form to file or visit the IRS website.

Q: How does the FAQ from the Internal Revenue Service, FS-2025-01, affect the Enlightened Style Tax Credit offering?

A: With regard to the recently issued IRS FAQ that has asserted that window treatment products are not eligible for the tax credit, we do not agree with this statement and are exploring how we can best address it. Moreover, we note that per the IRS's own statements, the FAQs only amount to guidance as they have not been published in the IRS Bulletin. Per the IRS: "Because these FAQs have not been published in the Internal Revenue Bulletin, they will not be relied on or used by the IRS to resolve a case. Similarly, if an FAQ turns out to be an inaccurate statement of the law as applied to a particular taxpayer's case, the law will control the taxpayer's tax liability."