



## IRS Issues Proposed Rule for Product ID Requirements for 25C Tax Credit-Eligible Products

The Internal Revenue Service (IRS) has issued a [proposed rule](#) on product identification numbers (PINs) for 25C tax credit-eligible windows, doors and skylights (and other products) as required by the Inflation Reduction Act (IRA).

The IRA modified and extended the 25C tax credit for energy-efficient windows, doors and skylights. Beginning in 2023, the new 25C tax credit only applies to windows and skylights that meet ENERGY STAR's Most Efficient standards, while exterior doors remain eligible under regular ENERGY STAR standards. The new tax credit provides up to \$600 for windows and skylights that meet ENERGY STAR's Most Efficient standards, while the credit for exterior doors offers \$250 per door up to \$500 for those that meet regular ENERGY STAR standards.

Eligibility for the 25C tax credit was also made more complicated by a new requirement that all qualified windows, doors and skylights be assigned a unique PIN that can be reported on consumer tax returns and verified by the IRS beginning in 2025. This is ostensibly to address unfounded tax fraud issues. The IRS has finally issued the proposed rule for the PIN requirement.

WDMA had strongly encouraged the IRS to delay implementation of the PIN requirements until 2026, which the agency is largely doing with exceptions.

### Summary of the Proposed Requirements:

#### Being a Qualifying Manufacturer (QM)

Manufacturers producing tax-credit eligible products will have to register and be approved by the IRS through the IRS Energy Credits Online Portal by April 30, 2025. According to the IRS, the portal will be available "soon." Approved manufacturers will be assigned a four-digit "QM Code" by the IRS. The QM Code will become part of a product's PIN. As long as the manufacturer registers by April 30, their products produced after January 1, 2025 will be deemed tax credit eligible.

#### Creating, Assigning and Reporting PINs

Once the QM is approved by the IRS, the manufacturer must assign each qualifying product a 17-character PIN composed of three sections:

1. The four-digit QM Code
2. One character "Product Code"
3. A 12-digit (any alphanumeric) "Item Number" that is assigned by the QM unique to each item.

Each QM will have to periodically report the PINs to the IRS through the online portal. For the 2025 tax year, the QM needs to submit one report to the IRS that is due by January 15, 2026, that includes all eligible products and the assigned 4-digit QM number. For the 2026 tax year and beyond, QMs must file reports quarterly. The due dates for the reports are January 15, April 15, July 15, and October 15 of each year. Manufacturers can choose to submit more frequent reports if they prefer, but the quarterly schedule is the minimum requirement.

#### Affixing PIN Labels

PINs can be attached to the products through a label or etching on the product itself. Alternatively, the PIN can be affixed to packaging, printed on packaging or included on a document inside the packaging. Also, manufacturers are allowed to set up a website to allow consumers to obtain their PIN by entering purchase information or they may be provided PINs through the warranty registration process.

### **PINS in 2025**

Given the late date, the IRS recognizes that it will not be feasible for most manufacturers to assign PINS to products produced in 2025. Therefore, consumers will only need to report the manufacturer's QM Code on their 2025 tax return. PINS will be required for all products beginning January 1, 2026.

WDMA will be submitting comments on the proposed rule by the comment deadline, which is expected by the end of the year. WDMA members with feedback should contact Michael Pierce at [mpierce@wdma.com](mailto:mpierce@wdma.com).

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