

On July 4, 2025, President Trump signed the “**One Big Beautiful Bill**” (H.R. 1) into law. This new legislation **accelerates the expiration of the Energy Efficient Home Improvement Tax Credit to December 31, 2025.**

Consumers can still claim the 30% tax credit (up to \$2,000 annually) **for eligible wood or pellet stoves and residential biomass systems if installed before the end of the year.**

The IRS has not yet released updated guidance. HPBA is actively engaging with the IRS and will keep members informed, especially regarding the **Qualified Manufacturer (QM) number requirement** for 2025 tax filings.

Tax Credit Information

We want to thank all members who took the time to contact their members of Congress. While this is not the desired outcome, HPBA Government Affairs will continue to explore other opportunities in support of woodstove manufacturers and retailers.

What does this mean for your business?

While the tax credit is sunsetting, several small business tax provisions were included in the new law:

- **Section 199A Deduction Increased:** From 20% to 23%, now permanent.
- **Section 179 Expensing Cap Doubled:** Now \$2.5 million for first-year deductions on equipment purchases.
- **2017 Tax Rate Cuts Made Permanent:** Avoids increases for pass-through entities (90% of small businesses).

To learn more about the impacts the new law has on your business, please refer to the Small Business Administration’s [press release](#).

As always, we appreciate your support. Please reach out to governmentaffairs@hpba.org if you have any questions.