

First Albuquerque Furnace Season Without the Federal Tax Credit Changes the Replacement Math

With Sections 25C and 25D terminated after December 31, 2025, Tru Mechanical Heating & Cooling explains what Albuquerque homeowners replacing a furnace this fall need to know, and warns that outdated rebate claims are still circulating.



Albuquerque, New Mexico Aug 30, 2026 ([Issuewire.com](https://www.issuewire.com)) - As Albuquerque homeowners begin thinking about heating season, Tru Mechanical Heating & Cooling, a family-owned HVAC company serving the metro area, is flagging a change that alters the cost calculation for anyone replacing a furnace this fall: for the first time in years, there is no federal tax credit available on the installation.

The Energy Efficient Home Improvement Credit under Section 25C, which for years offset part of the cost of qualifying HVAC equipment, insulation, windows, and doors, was terminated by the One Big Beautiful Bill Act, Public Law 119-21, signed July 4, 2025. According to IRS guidance, the credit is not allowed for any property placed in service after December 31, 2025. The Residential Clean Energy Credit under Section 25D was ended on the same timeline for expenditures made after that date. Neither was phased down in steps. Both stopped on a hard date.

An important detail is how the IRS defines the cutoff. Eligibility turned on the placed-in-service date, meaning the day equipment was installed and operational, not the day it was purchased or contracted. Homeowners who bought equipment in 2025 but had it installed in 2026 do not qualify.

"We still get asked about the tax credit on almost every furnace quote," said David Trujillo, co-owner of Tru Mechanical Heating & Cooling. "People planned around it for years, so the assumption is baked in. Part of our job right now is telling homeowners something they don't want to hear, which is that the federal piece is gone. I'd rather have that conversation upfront than have somebody budget around a credit that isn't coming."

Trujillo notes that outdated information remains a real problem. Articles, calculators, and contractor websites published before the law changed still describe the credits as available, and some remain online without correction. Homeowners comparing quotes may encounter estimates that reference federal savings that no longer exist.

"If a contractor is still quoting you a federal tax credit on a 2026 install, that's a signal worth paying attention to," Trujillo said. "Either they haven't kept up, or they're using a number they know isn't real to make a bid look better. Ask what the out-of-pocket cost actually is."

With the federal credits gone, utility rebate programs become the primary remaining avenue for offsetting the cost of high-efficiency equipment. Tru Mechanical is a certified PNM Rebate Partner and assists customers in qualifying for available utility rebates. The company advises homeowners to confirm current program terms and availability directly with their utility at the time of purchase, since rebate programs are revised periodically and published figures can go stale quickly.

Tru Mechanical also notes that with less external cost offset available, the case for timing a replacement rather than reacting to a failure has strengthened. A furnace that fails in January is replaced under emergency conditions, with limited time to compare equipment or check rebate eligibility. Systems approaching 15 to 20 years of service, or those showing signs of decline such as short cycling, uneven heating, rising fuel use, or repeated repairs, are better evaluated in early fall when there is room to plan.

Tru Mechanical Heating & Cooling has been family-owned and operated in Albuquerque since 2012, with more than 30 years of combined experience between David and Ray Trujillo. The company holds New Mexico Mechanical License #376701 and provides furnace installation and replacement, furnace repair, swamp cooler to refrigerated air conversions, and ductless mini-split service. It operates a full in-house sheet metal shop with plasma cutting and custom ductwork fabrication for installations requiring custom work.

Albuquerque-area homeowners planning a furnace replacement or seeking an evaluation of an aging system can contact Tru Mechanical Heating & Cooling at (505) 328-0743 or visit trumechanicalllc.com.

About Tru Mechanical Heating & Cooling

Tru Mechanical Heating & Cooling is a family-owned and operated HVAC company serving Albuquerque, Rio Rancho, Los Lunas, Santa Fe, and surrounding New Mexico communities since 2012. The company provides furnace installation and repair, swamp cooler to refrigerated air conversions, and ductless mini-split services, and operates a full in-house sheet metal shop for custom ductwork fabrication.

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