

# Business solar energy credit 2025







#### **Overview**

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The Inflation Reduction Act of 2022 ("IRA") makes several clean energy tax credits available to businesses. For electricity sold to an unrelated person and produced from the following renewable sources: wind, biomass, geothermal, solar, landfill and trash, hydropower, and marine and hydrokinetic.

This resource from the U.S. Department of Energy (DOE) Solar Energy Technologies Office (SETO) provides an overview of the federal investment and production tax credits for businesses, nonprofits, and other entities that own solar facilities, including both photovoltaic (PV) and concentrating.

TL;DR: The One Big Beautiful Bill passed in July 2025 keeping the 30% commercial solar tax credit but adds a hard deadline. Businesses must start construction by July 4, 2026 to claim full benefits. Early action is critical to avoid supply chain delays and secure tax credits. Your energy bills.

But these business energy tax credits, pivotal for incentivizing clean energy investment and corporate sustainability, are entering a critical period, as Congress considers cuts to energy tax credits to pay for extending other corporate tax breaks set to expire at the end of 2025. As a result.

The 2025 changes to the federal solar tax credit are already reshaping commercial energy strategies across the country. While the 30% credit is still available, it now requires faster decisions, stricter documentation, and careful project management. Businesses considering commercial solar panel.

For years, the federal government has offered tax credits to businesses that install solar panels, helping them cut operating costs, boost profits, and



reduce carbon emissions. But that's changing with the passage of a new law, H.R.1, aka the "One Big Beautiful Bill Act" (OBBBA). The law, signed on. What are the new tax credits for commercial solar?

The law, signed on July 4th, 2025, implements major changes to long-standing clean energy tax credits for commercial solar, including the 30% Investment Tax Credit (ITC) and the Production Tax Credit (PTC). If your business is considering solar, you still have time to lock in big tax savings, but the clock is ticking.

Can a solar business claim a tax credit?

The ITC is a tax credit, not a refund. Your business must have sufficient tax liability to claim the full credit. If your tax liability is less than the credit amount, you can: To claim the ITC, your business must own the solar system. This affects financing decisions:.

Can a solar business transfer tax credits?

Tax credits carried backward or forward are not eligible for "transferability" (i.e., cannot be sold). If a business does not have a large tax liability, tax equity financing may allow the business to take full advantage of federal tax benefits for a solar system.

Can I get a tax credit for a solar project?

Projects serving low-income communities or located on Indian land can qualify for additional credits ranging from 10-20%. Example: 250kW Commercial Solar Installation Base System Cost: \$350,000 ITC Calculation: Net Project Cost: \$210,000 (after \$140,000 in tax credits) The ITC is a tax credit, not a refund.

What is the federal solar investment tax credit (ITC)?

The federal solar Investment Tax Credit (ITC) remains one of the most valuable financial incentives available for commercial solar installations in 2025. However, recent legislative changes and evolving qualification requirements mean that business owners must understand the current landscape to maximize their tax benefits.

When do solar tax credits go away?

The tax credits aren't going away immediately, but under the new law, you have much less time to claim them. If you start a new commercial solar



project after July 4, 2026 (12 months out from the law's enactment), you must complete your installation and place the system in service by December 31, 2027, to qualify for the ITC or the PTC.



#### **Business solar energy credit 2025**



# One Big Beautiful Bill Act to Scale Back Clean Energy ...

Following its approval by Congress, the One Big Beautiful Bill Act was signed by President Donald Trump on July 4, 2025. This Holland & Knight alert summarizes certain key proposals in the bill as they relate to the ...

# 2025 Federal Solar Tax Credit Guide: Expert Insights ...

The 2025 Solar Tax Credit, officially referred to as the Investment Tax Credit (ITC), is a federal incentive that allows homeowners and businesses to deduct 30% of the total cost of installing a solar energy system ...



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#### <u>Senate Proposes New Deadline for Solar Tax</u> <u>Credit ...</u>

Homeowner-owned solar systems will need to be installed by December 31, 2025 to qualify for this 30% tax credit before it's gone. After careful reading of the energy provisions in this Megabill, we created the OBBB ...

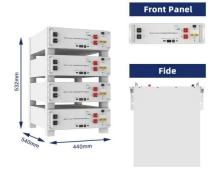
# Business Energy Tax Credits and the Road Ahead for ...

But these business energy tax credits, pivotal for incentivizing clean energy investment and corporate sustainability, are entering a critical



period, as Congress considers cuts to energy tax credits to pay for extending ...





#### Is the 30% Solar Tax Credit Going Away? What You ...

Why 2025 Might Be the Smartest Time to Go Solar The 30% federal solar tax credit remains fully available, offering significant savings for homeowners and businesses. While the credit is in place through 2032, ...

#### What You Need to Know About Renewable Energy ...

Is your business using clean, or renewable, energy? You could qualify under the Inflation Reduction Act of 2022 (IRA) for renewable energy tax credits that reduce your federal tax liability. As part of IRA, the Investment Tax ...





# Tax Credits for Commercial Solar--What's Changing ...

If your business is considering solar, you still have time to lock in big tax savings, but the clock is ticking. In this guide, we explain what's changing and how to claim your credit before it's too late.



### What the One Big Beautiful Bill Means for Solar & Clean Energy Credits

Residential and EV credits repealed: The residential clean energy credit (Section 25D) will be disallowed for any expenditures made after December 31, 2025. This is a sharp ...





# What does the One Big Beautiful Bill Mean for Clean Energy Tax Credits

On July 4th, 2025 President Trump signed his socalled One Big Beautiful Bill Act (OBBBA) into law. This sweeping legislation includes major changes to solar and energy storage incentives,

#### Federal Tax Credits for Energy Efficiency

In addition to the energy efficiency credits, homeowners can also take advantage of the modified and extended Residential Clean Energy credit, which provides a 30 percent income tax credit for clean energy equipment, such as rooftop ...



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