

Commercial solar energy credit





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.

The Investment Tax Credit (ITC) has been one of the most powerful financial tools for accelerating commercial solar and renewable energy development in the United States. For years, eligible businesses have been able to claim a 30% federal tax credit on qualified solar investments—including both.

The federal government offers valuable commercial solar incentives and a tax credit beyond these subjective benefits, offsetting a large portion of the initial investment and making solar even more attractive. Known as the Investment Tax Credit (ITC), this tax credit allows businesses to claim a.

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.

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 is a commercial solar tax credit?

A tax break for businesses, the Commercial Solar Tax Credit—or Investment Tax Credit (ITC)—helps lower the tax bills of companies that install solar systems. By covering a portion of the project costs, the credit offers businesses an incentive to choose solar. What's the purpose here?

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Can a business claim a 30% tax credit on solar?

For years, eligible businesses have been able to claim a 30% federal tax credit on qualified solar investments—including both commercial rooftop solar and ground-mounted systems—dramatically reducing upfront costs and improving project ROI.

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.

When do commercial solar systems qualify for a 30% credit?

That means storage-only or hybrid systems must either begin construction by July 4, 2026 or be in service by December 31, 2027 to qualify for the 30% credit. The depreciation landscape for commercial solar systems has undergone a meaningful shift.

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.

How do I claim a solar tax credit?

To claim the credit, businesses use IRS Form 3468, which specifically handles



investment credits like the ITC. Filing this form accurately and on time is crucial for securing the tax benefits from a solar installation. Does the Solar Tax Credit Affect Eligibility for Other Green Incentives?



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[Tax Credits for Commercial Solar--What's Changing ...](#)

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).

[How to Claim the Solar Investment Tax Credit \(ITC\) ...](#)

The Federal Investment Tax Credit (ITC) has been key to how businesses access sustainable property improvements like commercial solar and energy storage. In 2022, the Inflation Reduction Act added another 10 years of ...



["One Big Beautiful Bill Act" Brings Big Changes to ...](#)

On July 4, 2025, President Trump signed into law a sweeping budget reconciliation bill commonly known as the "One Big Beautiful Bill Act" (the Act). The Act includes the following significant transition provisions and other ...

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Your Complete Guide to the Federal Investment Tax Credit for Commercial Solar If you're looking for a way to save money on your utility bills while also doing your part to protect the environment, then commercial solar ...



[Commercial Solar Incentives: Grants, Loans](#)

Whether you're in agriculture, manufacturing, warehousing, or run a nonprofit, this guide explores the top commercial solar government incentives, commercial solar loans, federal tax incentives for commercial solar, and ...



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

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