

Credit for solar panels 2025





Overview

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If you invest in renewable energy for your home such as solar, wind, geothermal, fuel cells or battery storage technology, you may qualify for an annual residential clean energy tax credit. The Residential Clean Energy Credit equals 30% of the costs of new, qualified clean energy property for your.

On July 4, 2025, the One Big Beautiful Bill was signed into law, officially ending the 25D federal solar tax credit for homeowners on December 31, 2025. Here's what this means for homeowners, installers, and the future of clean energy. This content is for informational purposes only and does not.

Despite the legislative changes, the federal tax credit remains available in 2025, providing a 30% tax credit on your solar installation costs. We'll walk you through what you need to know about qualifying for the federal solar tax credit and taking advantage of all the state and local incentives.

The federal solar tax credit is ending sooner than expected. Here's what homeowners must do to qualify before the 2025 deadline. Are you doing a solar project?

Modernize can pair you with three to four pros in your area, so you can compare options and save time and money. The federal solar tax.

The solar energy goes toward reducing the home's grid energy usage, and any excess electricity generated can be sent back to the utility for at least some credit. In this way, a solar installation that is the property of the



homeowner acts as a hedge against rising utility costs. These financial.

To qualify for the 30% tax credit for an owned system, your project must be fully complete and "placed in service" by the end of 2025. Given that a typical solar project can take several months from initial quote to final inspection, starting the process now is crucial. Waiting could mean you miss. Will the solar tax credit end after 2025?

These financial benefits have been enabled partially by the Residential Clean Energy Tax Credit, which provides a tax credit of 30% of the cost to install solar panels to homeowners in the year after installation. But with the passage of H.R. 1 (aka the One Big Beautiful Bill Act), the US residential tax credit will end after 2025.

How does the solar tax credit affect residential solar?

Here's is how this law impacts residential solar: The 30% solar tax credit claimed by homeowners (25D) would be terminated at midnight on December 31, 2025. Homeowners who have their systems installed before the end of the year can still claim this credit against their federal tax liability.

Are solar panels tax deductible in 2025?

If you installed solar panels in 2025, good news, you could be eligible for a 30% federal tax credit that can significantly reduce what you owe on your taxes. But claiming the Federal Solar Investment Tax Credit (ITC) involves a bit of paperwork and planning.

When does the residential solar tax credit end?

Under the new tax law, the Residential Solar Tax Credit will officially end on December 31, 2025. To qualify, your solar PV system must be installed and operational by this deadline. For homeowners, this change means one of the most impactful incentives for going solar—the 30% Federal Investment Tax Credit (ITC)—is going away.

Will a solar project qualify for a 30% solar tax credit?

Yes. Based on the bill signed into law on July 4, projects installed in 2025 will qualify for the 30% solar tax credit. There is no language in the OBBA that retroactively strips the tax credit from homeowners who claim it lawfully.

When does the 25D solar tax credit end?



On July 4, was signed into law by President Trump. After some back and forth, both Chambers of Congress agreed to end the 25D residential solar tax credit after December 31, 2025. Residential solar systems installed by this deadline would still qualify for a 30% federal tax credit.



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Residential Solar Credits September 2025: Everything We Know ...

1 ??· In September 2025, the solar landscape looks different than it did just a few years ago. The One Big Beautiful Bill (OBBB) cut many renewable energy programs that once made ...

[Big Changes Coming to the Solar Tax Credit](#)

What's in the Final Version of the Bill? Here's a breakdown of where the solar tax credits stand after the passing of the Big Beautiful Bill:
Residential Solar Tax Credit (Section 25D): The End is Near The 30% federal ...



✓ IP65/IP55 OUTDOOR CABINET

✓ OUTDOOR CABINET WITH AIR CONDITIONER

✓ OUTDOOR ENERGY STORAGE CABINET

✓ 19 INCH

[Federal Solar Tax Credit 2025 Deadline & Info](#)

Under the new budget proposal, the U.S. House approved language that would end the 30% residential solar tax credit by the end of 2025. The Senate version may offer a 180-day grace period, but the message is ...

[Home solar/battery 30% incentive is over 180 days ...](#)

Under the version passed by Congress, the ITC (Section 25D), which offers a 30% tax credit for home solar and energy storage systems, was



going to be completely phased out by the end of 2025. The



[How Does The Solar Tax Credit Work in 2025?](#)

The solar tax credit, officially called the Residential Clean Energy Credit, lets homeowners deduct 30% of the cost of installing solar panels from their federal income tax liability. It applies to both the cost of the system ...



[Every 2025 Clean-Energy Tax Credit explained--How ...](#)

Every 2025 Clean-Energy Tax Credit explained--How to save up to \$16K Wondering which Inflation Reduction Act credits you can actually use? This step-by-step guide deciphers every household incentive--covering ...



[30% Federal Solar Tax Credit Ending in 2025: What ...](#)

Even without the tax credit, solar still makes financial sense While the elimination of the 30% federal solar tax credit after 2025 may feel like a setback, it's important to remember this: solar ...





Homeowners Rush to Install Solar Panels Before Residential Tax Credit

Home Taxes Tax credits Homeowners Rush to Install Solar Panels Before 'Trump Tax Bill' Takes Effect Under the newly enacted GOP tax bill, the 'solar panel tax credit' is in the ...



[How Residential Solar Tax Credit Work In 2025](#)

In 2025, Residential Solar Tax Credit lets you claim 30% of your total solar installation costs--including panels, batteries, and labor--as a direct reduction on your federal taxes. With energy prices soaring and millions of ...

[2025 Texas Solar Tax Credits, Incentives & Rebates](#)

2025 is the year to go solar in Texas, with federal tax credits, local rebates, and buyback programs making it more affordable than ever. The 30% Federal ITC slashes installation costs, saving you thousands upfront. ...



[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, ...



[President Trump signs bill killing the solar tax ...](#)

Congress and President Trump just passed legislation to cut the 30% residential solar tax credit in 2026--nearly a decade ahead of schedule. For homeowners considering solar, act now to lock in savings.



[The History & Future of the Solar Tax Credit in 2025](#)

The federal solar tax credit 2025 remains a powerful incentive for reducing the cost of solar energy systems. It allows homeowners and businesses to deduct 30% of eligible solar installation costs--including panels, inverters, batteries, ...

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