

# **Federal solar credit 2025**





## Overview

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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.

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.

July 4 Update: President Trump signed the "One Big Beautiful Bill" (OB BB) into law, which terminates the 25D solar tax credit at the end of 2025. 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.

The federal tax credit for solar panels ends on Dec. 31, 2025, which will likely raise electricity bills. Some or all of the mortgage lenders featured on our site are advertising partners of NerdWallet, but this does not influence our evaluations, lender star ratings or the order in which lenders.

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.



In July 2025, President Trump signed H.R. 1, the One Big Beautiful Bill Act (OBBBA), which rapidly alters the landscape for solar incentives in the U.S. While the 30% Federal Solar Investment Tax Credit (ITC) remains intact through 2025, OBBBA enforces hard cutoffs for certain programs and adds new. Will a solar tax credit end in 2025?

May 13 update: The House Ways and Means Committee is proposing an end to the residential solar tax credit as part of the reconciliation process. If passed, systems placed in service (i.e., installed and inspected) by December 31, 2025 will still qualify for a 30% tax credit.

Will there be more changes to the 25D solar tax credit?

Jump to a section: Will there be more changes?

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What is the 30% federal solar tax credit?

The 30% Federal Solar Tax Credit is available only through 2025. With these recent changes, homeowners can still claim 30% of the cost of their solar system as a tax credit through the end of 2025. This means that for an example solar project, costing \$30,000 in full, you could save up to \$9,000 after the tax credit.

When does the solar tax credit end?

July 4 Update: The “One Big Beautiful Bill” (OBBB) was signed into law by President Trump and includes a December 31, 2025 end date for the 30% solar tax credit. Homeowner-owned solar systems need to be installed by the end of 2025 to qualify for the 25D tax credit before it’s gone.

Can I get a solar tax credit after 2026?

Homeowners who install solar panels on or after January 1, 2026 will no longer qualify for any Federal solar tax credits under this program. The 30% Federal Solar Tax Credit is available only through 2025. With these recent changes, homeowners can still claim 30% of the cost of their solar system as a tax credit through the end of 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.



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### [Residential Solar Tax Credit Going Away After 2025](#)

In major solar tax credit news, the 30% residential solar tax credit (Section 25D) will officially end after December 31, 2025. This was signed into law through the Big Beautiful Bill on July 4, 2025, confirming that the solar ...

### [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 ...



### [What's Happening with the 30% Federal Solar Tax ...](#)

As of April 2025, the federal solar tax credit is still in effect. Eligible homeowners, businesses, Tribal Nations, and non-profits can continue to claim this valuable incentive for installing solar energy systems and battery storage solutions.

### [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 ...



### [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, ...



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

The federal solar tax credit 2025 has helped make solar affordable for homeowners and businesses. With the residential solar tax credit ending after this year and changes ahead for commercial systems, it's important to understand ...



### [Surprise Tax in G.O.P. Bill Could Cripple Wind and ...](#)

The Senate bill, which is being debated on Sunday, would also eliminate federal tax credits this year for consumers to buy electric vehicles and to install solar panels and heat pumps in their homes.





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