

Solar credit for 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.

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.

President Trump signed the "Big Beautiful Bill" into law on Independence Day, cutting the 30% residential solar tax credit by December 31, 2025—nearly a decade ahead of schedule. After marathon floor debates and record-breaking vote lengths, the bill cleared the House on July 3, just in time to.

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.

The One Big Beautiful Bill, signed into law on July 4th, 2025, cuts off the 30% federal solar tax credit for homeowners at the end of 2025—way earlier than anyone expected. That's not exactly what most folks had planned for, and it's bound to shake things up for homeowners thinking about solar.



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 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.

When does the solar tax credit end?

In major solar tax credit news, the 30% residential solar tax credit (Section 25D) will officially end after December 31, 2025. This change was signed into law through the One Big Beautiful Bill Act on July 4, 2025, confirming that the solar tax credit is ending with no phase-down.

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.

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.

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.

What is the 25D solar tax credit?

This includes the 30% solar tax credit claimed by homeowners, formally known as the 25D Residential Clean Energy Credit. In this article, we'll focus



on changes to the 25D solar tax credit and their impact on homeowners who want to go solar. Jump to a section: [Is the solar tax credit going away?](#)

[Is the entire Inflation Reduction Act at risk?](#)



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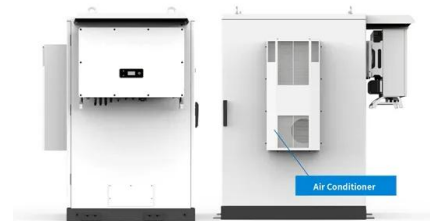
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[The History & Future of the Solar Tax Credit in 2025](#)

The solar tax credit 2025 remains one of the most valuable incentives for homeowners and businesses investing in solar energy. It allows eligible taxpayers to deduct 30% of qualified solar installation costs from their federal taxes, ...

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

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