

# Solar panel tax break 2025







### **Overview**

Yes, projects installed in 2025 will qualify for the 30% residential solar tax credit (25D). The One Big Beautiful Bill (OBBB), signed into law on July 4, does not retroactively strip this tax credit from homeowners. The expiration of the 25D credit is set for midnight on December 31.

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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.

On July 4th, 2025, the One Big Beautiful Bill was signed into law – bringing with it sweeping changes to clean energy incentives, including a major shift for residential solar. Most important to solar, the bill ends the 30% Federal Solar Tax Credit for homeowners at the end of this year. This cuts.

Homeowners who complete installations before the end of 2025 can still claim the 30% Residential Solar Tax Credit from the Inflation Reduction Act (IRA) —one of the last opportunities to take full advantage before the credit begins phasing out. Here's what you need to know in September 2025 to act.



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. 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.

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.

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.

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.

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 OBBB that retroactively strips the tax credit from homeowners who claim it lawfully.



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#### **ESS**



#### Homeowners Rush to Install Solar Panels Before

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But while the solar tax credit was set to expire in 2032, the GOP tax bill accelerates that, eliminating the credit at the end of 2025. And homeowners aren't waiting to invest in solar until after

## These states will soon lose all government incentives for solar panels

President Donald Trump signed the "Big Beautiful Bill" on July 4, ending the federal residential solar tax credit (also known as the Investment Tax Credit, or ITC) at the end ...



### 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

# Residential Solar Tax Credits September 2025: Everything We ...

1 ??· Homeowners who complete installations before the end of 2025 can still claim the 30% Residential Solar Tax Credit from the Inflation



Reduction Act (IRA) -- one of the last ...





### President Trump signs bill killing the solar tax ...

The tax credit ends next year, cutting \$9K in savings Homeowners have until December 31, 2025 to install solar panels and lock in the 30% federal tax credit--an average of \$9,000 in savings. A tax attorney ...

#### The Solar Tax Credit Is Ending

In July 2025, a new federal law officially set an end date for the residential solar tax credit. The current 30% federal incentive will no longer be available for systems placed in service\* after December 31, 2025. This change shortens 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 ...



## How Can I Get Clean Energy Tax Breaks Before They ...

If you were thinking about putting solar panels on your roof, buying an electric car or making your home more energy-efficient, time is quickly running out to take advantage of federal tax breaks



## Congress May End the 30% Solar Tax Credit Early - ...

Breaking News: A new proposal in Congress could eliminate the 30% federal solar tax credit for homeowners by the end of 2025, nearly a decade ahead of schedule. This unexpected move threatens to upend the economics ...

### Solar Grants, Incentives & Rebates in Alberta for 2025

Price is always a major consideration on solar installations. Though most of our clients recoup their initial investment (and more) over the life of their solar panel, that higher upfront cost to purchase and install can repel ...



### Bye-bye rooftop solar tax rebate in South Africa , Alumo

The 2024 Budget presented by finance minister Enoch Godongwana has come and gone, and with it, the end of the line for the rooftop solar tax rebate for individuals in South Africa. This tax break, which was ...





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