

# **Solar power tax credit 2025**



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## 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.

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.

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.



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. 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.

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 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.

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.

When does the solar tax credit expire?

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. The 30% solar tax credit for leases and PPAs (48E) would be available through the end of 2027.

When does the federal tax credit for solar panels end?

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### Guide to California Solar Incentives & Tax Credits in ...

Are solar incentives in California going away? Of California's current solar incentives, the Self-Generation Incentive Program is scheduled to end after 2025, and the state's solar property tax exclusion is scheduled to end after 2026. The ...

### [2025 Minnesota Solar Tax Credits, Rebates & Other ...](#)

Minnesota Solar Incentives (Rebates, Tax Credits & More in 2025) In this EcoWatch guide to Minnesota's solar incentives, we'll answer the following questions: What solar incentives does Minnesota have? Do solar ...



### [Everything You Need to Know About the Solar ...](#)

Now is still a great time to take advantage of government incentives to go solar, like the federal solar tax credit. Although you might have heard news about the current federal administration pushing to pause funding ...

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

1 ??· Don't miss the deadline! The federal solar tax credit is ending on December 31, 2025. Find out what this means for your project and how



you can still claim the full 30% credit before ...



### **Under Trump presidency, solar tax credits could be at ...**

Potential rooftop solar customers and installers worry the incoming Trump administration might try to eliminate a 30% federal tax credit. Some customers plan to install sooner because of that. And



### 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 ...



### **Summary of Inflation Reduction Act provisions related ...**

The Inflation Reduction Act of 2022 (IRA) is the most significant climate legislation in U.S. history. IRA's provisions will finance green power, lower costs through tax credits, reduce emissions, and advance environmental justice.





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