

Solar system 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.

Homeowners have until January 1, 2026 to claim the 30% federal tax credit—a benefit that can shave thousands of dollars off your solar investment. The average solar panel system costs around \$28,000, or about \$2.50 per watt, according to EnergySage's latest Marketplace Report. With the tax credit.

President Trump signed his sweeping reconciliation bill into law on Independence Day, cutting the residential solar tax credit after December 31, 2025. Despite the legislative changes, the federal tax credit remains available in 2025, providing a 30% tax credit on your solar installation costs.

With the passage of the “One Big Beautiful Bill” (OB BB), the Consumer solar tax credit ends at midnight on New Year’s Eve 2025. This means that systems must have “expenditures made” before this time in order to qualify for the 30% tax credit. Recent IRS guidance confirms solar.com’s understanding.



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. 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.

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.

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.

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 do home-owned solar systems qualify for the 25D 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. For more information about the



OBBS's impact on residential solar, check out Solar.com's OBBS Resource Center:



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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 ...

[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 ...



Comet 3I/ATLAS

5 ???· Discovery The NASA-funded ATLAS (Asteroid Terrestrial-impact Last Alert System) survey telescope in Rio Hurtado, Chile, first reported observations to the Minor Planet Center of comet 3I/ATLAS on July 1, 2025. Since the first ...

[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.



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

4 ???· For Homeowners Buying a System (Cash or Loan) The clock is ticking. To qualify for the 30% tax credit for an owned system, your project must be fully complete and "placed in ...

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 ...



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