

# **Solar tax credit for 2025**





## Overview

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Yes, projects installed in 2025 will qualify for the 30% residential solar tax credit (25D). The One Big Beautiful Bill (OB BB), 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.

Yes, projects installed in 2025 will qualify for the 30% residential solar tax credit (25D). The One Big Beautiful Bill (OB BB), 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.

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.

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.

In July 2025, President Trump signed H.R. 1, the One Big Beautiful Bill Act (OB BB A), 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, OB BB A enforces hard cutoffs for certain programs and adds new.

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.

The One, Big, Beautiful Bill Act of 2025 has a significant effect on federal taxes, credits and deductions. It was signed into law on July 4, 2025, as Public Law 119-21. The One, Big, Beautiful Bill Act has a significant effect on your taxes, credits and deductions.



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 tax credit is going away with no phase-down period. To qualify for the. 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.

What is the 2025 solar tax credit?

The 2025 solar tax credit remains in place. Homeowners can claim 30% of eligible solar costs through the Residential Clean Energy Credit. This includes solar panels, inverters, battery storage (if installed with solar), and labor costs.

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.

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 the commercial solar tax credit disappear after 2025?

While the residential solar tax credit will disappear after 2025, the commercial solar ITC remains in place. Contractors can still secure the full 30% credit on commercial projects that begin construction by July 4, 2026. This makes light commercial solar an important area for installers looking to adapt.

How much will the solar tax credit save you?

The federal solar tax credit saved homeowners an average of \$8,316, dropping the price to \$19,404. But anyone purchasing solar panels for their homes after 2025 will have to rely only on state-based incentives to save



money.



## Solar tax credit for 2025

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### Senate narrowly passes GOP domestic policy bill--residential solar tax

The 30% residential solar tax credit is at risk of being cut at the end of 2025. The cut is part of Trump's tax and domestic policy bill, a sweeping budget reconciliation bill. The ...

### [Senate Releases Updated One Big Beautiful Bill Text](#)

By Sam Wigness , Jul 9, 2025 July 4 Update: President Trump signed the "One Big Beautiful Bill" (OBBB) into law. The final text includes the termination of the 30% consumer solar tax credit (25D) at the end of 2025. Homeowners will ...



### [Is the 30% Solar Tax Credit Going Away? What You ...](#)

The federal solar tax credit -- officially known as the Residential Clean Energy Credit -- is still in place as of early 2025. This credit allows homeowners to claim 30% of the total cost of a solar or battery storage system ...

### [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 ...



### Steep Phase-Out of Wind and Solar Tax Credits in Draft Bill Text

On June 16, 2025, the Senate Finance Committee released its version of the "One, Big Beautiful Bill" (OB BB) that would create a steep phase-out of renewable energy tax credits--notably, ...



### [Senate narrowly passes GOP domestic policy ...](#)

The 30% residential solar tax credit is at risk of being cut at the end of 2025. The cut is part of Trump's tax and domestic policy bill, a sweeping budget reconciliation bill. The cuts to the tax credit are not definitive: The bill ...



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

This was signed into law through the Big Beautiful Bill on July 4, 2025, confirming that the solar tax credit is going away with no phase-down period. To qualify for the full credit, homeowners must have their solar systems ...





### Big Changes Coming to the Solar Tax Credit

That means your solar system must be fully installed and operational before the end of 2025 to claim the credit. Commercial Solar Tax Credit (Section 48E): Safe Harbor or Miss Out For agricultural and commercial ...



### **How the End of the Federal Solar Tax Credit in 2025 Will Impact ...**

1 ??· The federal solar tax credit gives you 30% off solar system costs, but it will stop for homeowners after December 31, 2025. To get this credit, your solar system must be set up ...



### 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, ...



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