

Tax credit solar panels 2025





Overview

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.

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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 solar tax credit is ending sooner than expected. Here's what homeowners must do to qualify before the 2025 deadline. Are you doing a solar project?

Modernize can pair you with three to four pros in your area, so you can compare options and save time and money. The federal solar tax.

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 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.

The One Big Beautiful Bill Act eliminates residential solar tax credits after 2025 and introduces new timelines and restrictions for clean energy tax credits under Sections 45Y and 48E. From pv magazine USA On July 4, US



President Donald Trump signed H.R. 1 into law. The bill, also known as the.

Solar panels are seen on the roof of a commercial building in West Los Angeles, on Jan. 4, 2025. At the end of September, the first federal clean energy tax credit, which applies to the purchase of an electric vehicle, will be phased out. That's thanks to the One Big Beautiful Bill Act, passed by. Are solar panels a tax credit for 2025?

A July 2025 report published by the Department of Energy predicts 100 times more power outages by 2030 compared to today. Similar to solar panels, batteries must be installed by January 1, 2026 to claim the 30% federal 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.

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.

What is the 30% federal solar tax credit?

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. This means that for an example solar project, costing \$30,000 in full, you could save up to \$9,000 after the tax credit.

When does the federal tax credit for solar panels end?

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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.



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[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 ...

[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 ...



[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

[Federal solar tax credit in 2025: How does it work?](#)

In 2025, the federal Investment Tax Credit (ITC) allows homeowners to claim 30% of their solar panel system costs as a tax credit on their



federal taxes. Starting January 1, 2026, the residential solar tax credit ...



[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 ...

[Guide to the Federal Solar Tax Credit in 2025](#)

Who Qualifies for the Solar Tax Credit in 2025?
Most residential solar panel installation projects are eligible for the federal solar tax credit, including rooftop solar panels, ground-mounted solar panels, and ...



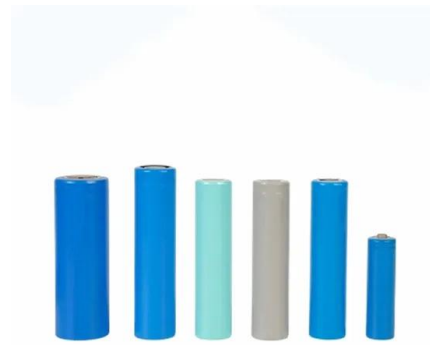
[How Residential Solar Tax Credit Work In 2025](#)

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 ...



[What do the changes in the One Big Beautiful Bill ...](#)

On July 4th, 2025, President Trump signed H.R. 1 into law. The bill, also known as the "One Big Beautiful Bill Act," contains a number of provisions relating to solar energy installations, including the cancellation of Section ...



[Federal Solar Tax Credit: How it works in 2025](#)

The federal solar tax credit is the most widespread solar incentive in the United States. Every U.S. taxpayer who purchases a solar installation is eligible to receive 30% of the cost back as an income tax credit in the year ...

[2025 Federal Solar Tax Credit Guide: Expert ...](#)

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 ...



[Trump's Administration and the Future of the 30](#)

Homeowners will need to install their systems by then to qualify for the 30% tax credit before it disappears. ### Will Projects Built in 2025 Qualify for the Residential Solar Tax Credit? Yes, projects installed ...



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