

What is the federal solar credit





Overview

The U.S. government offers a solar tax credit that can help you recoup up to 30% of the cost of installing a solar power system. The residential clean energy credit also covers other types of renewable energy projects undertaken by homeowners, subject to certain guidelines.

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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.

The U.S. government offers a solar tax credit that can help you recoup up to 30% of the cost of installing a solar power system. The residential clean energy credit also covers other types of renewable energy projects undertaken by homeowners, subject to certain guidelines. To claim the solar tax.

The federal Residential Clean Energy Credit is commonly known as the “solar tax credit” because it can help defray the considerable costs of adding solar panels to your home. The credit equals 30% of the costs of new, qualified clean energy property for your home installed anytime from 2022 through.

The federal solar investment tax credit (ITC), also known as the federal solar tax credit, currently lets qualifying property owners claim a tax credit worth 30% of the total cost to install a solar energy system. However, due to the “One Big Beautiful Bill Act,” signed into law in July 2025, this.

The federal solar tax credit, commonly referred to as the investment tax credit or ITC, allows you to claim 30% of the cost of your solar panel system as a credit to your federal tax bill. For example, if it costs \$10,000 to install your solar panel system, you'll receive a \$3,000 credit, which.



Disclaimer: This guide provides an overview of the federal investment tax credit for residential solar photovoltaics (PV). It does not constitute professional tax advice or other professional financial guidance and may change based on additional guidance from the Treasury Department. Please see. What is the federal solar tax credit?

The federal solar tax credit, formally known as the Residential Clean Energy Credit, is an incentive you can earn when installing solar panels or other clean energy equipment on your property. The tax credit equals 30% of installation costs and can reduce what you owe in federal income taxes by thousands of dollars.

How do I qualify for a solar panel tax credit?

In order to qualify for the solar panel tax credit, you must own your home (not lease or rent) and you must pay enough taxes to the federal government (tax liability) that the Residential Clean Energy Credit can offset your tax payment.

How does the solar tax credit work in 2025?

In 2025, the federal solar tax credit equals 30% of solar installation costs, directly reducing your federal income tax liability. Here's an example of how the solar tax credit works: If you installed a home solar power system for \$20,000, you could claim a tax credit of \$6,000. $\$20,000 \text{ solar installation costs} \times 30\% = \$6,000 \text{ tax credit value}$.

Can you use a solar tax credit to save money?

How you can use this tax credit to cut the cost of adding solar power to your home. The federal Residential Clean Energy Credit is commonly known as the "solar tax credit" because it can help defray the considerable costs of adding solar panels to your home.

Is the solar tax credit refundable?

No. The solar tax credit can save you money on your tax bill, but the amount of your credit can't exceed the total amount you owe. That's because the credit is "nonrefundable," in tax speak. Put simply, if the credit reduces your overall tax bill below zero, the IRS is not going to cut you a check for the difference.

How do I claim a federal solar tax credit?



Consult a licensed tax professional with questions. Let's go through the basics of claiming a federal solar tax credit using a fictional \$30,000 expenditure on a solar system. Begin by filing your taxes as you normally would. Tally your income, claim dependents, deduct your charitable donations — all that fun stuff.



What is the federal solar credit



Homeowner s Guide to the Federal Tax Credit for Solar ...

A solar PV system does not necessarily have to be connected to the electric grid for you to claim the residential federal solar tax credit, as long as it is generating electricity for use at your ...

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The clock is ticking on one of the biggest solar incentives in American history. Homeowners have until January 1, 2026 to claim the 30% federal tax credit--a benefit that can shave thousands of dollars off your solar ...



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

[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.



Homeowner's Guide to the Federal Tax Credit for Solar ...

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The federal solar tax credit is a clean energy credit that you can claim on your federal returns. This tax credit is not valued at a set dollar amount; rather, it's a percentage of what you spend to install a residential solar ...



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By taking advantage of the solar tax credit, it's possible to lower your tax bill, effectively reducing the cost of your solar project. Below, we take a closer look at what the solar tax credit is, how it works, and how much you can potentially save.



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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 ...

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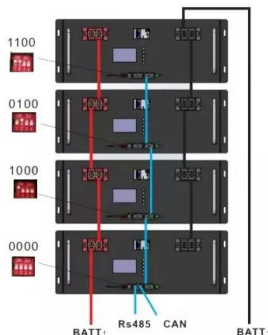
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