

Last Call for Solar Savings: 30% Tax Credit Ends in 2025



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July 22, 2025 | [Big Dog Solar School](#) — In June 2025, we shared a [press release](#) explaining to our current and potential customers the federal solar tax credit might end. **As of July 4th, Congress officially voted to end the 30% Residential Clean Energy Credit on December 31, 2025.**

The repeal is part of H.R. 1, a sweeping federal bill nicknamed the “Big Beautiful Bill.” While the legislation covers a wide range of issues, its energy provisions end clean energy incentives, including rooftop solar.

How Does the Bill Affect Solar?

Currently, the solar tax credit allows homeowners to deduct 30% of the cost of a solar system (and battery storage) from their federal income taxes. This incentive was originally extended through 2032 under the Inflation Reduction Act, but H.R. 1 sets a new expiration date on December 31, 2025.

After that, there will be no federal credit available for residential solar. In addition to removing the 30% credit, the bill also:

Repeals the commercial solar investment tax credit

The bill eliminates the Section 48 Investment Tax Credit for commercial solar projects, ending eligibility for new systems placed in service after 2025, according to [Sidley.com](#)

Eliminates accelerated depreciation for energy-efficient property

The bill removes solar and other energy properties from the 5-year Modified Accelerated Cost Recovery System (MACRS), effective starting in 2026, according to [EisnerAmper.com](https://www.eisneramper.com).

Cuts incentives for solar manufacturing and domestic clean energy production

The bill phases out Section 45X manufacturing credits for the U.S.-made solar components and other clean energy technologies, according to [LawBC.com](https://www.lawbc.com).

NPR also confirmed: “Signed into law by President Trump, the ‘One Big Beautiful Bill’ eliminates incentives for rooftop solar, electric vehicles (EVs), and home energy efficiency upgrades.”

At Big Dog Solar, we’re committed to helping homeowners understand what’s changing in the solar space. That’s why we spoke with The New York Times about the future of solar energy. [Check out the article here](#).

What This Means for You

If you’ve been thinking about going solar, this changes the timeline. To receive the 30% credit, your solar system needs to be **fully installed and operational by the end of 2025**. Given the growing demand and the installation process, solar-interested homeowners should schedule sooner rather than later.



Incentives Are Still Available in Idaho, Montana, and Colorado

Even as the federal 30% solar tax credit comes to an end, there are still **state and utility-level incentives** that can help homeowners save on their solar installations. These programs vary by location, but they remain a key part of making solar affordable and accessible.

Idaho

- **State Tax Deduction** – Homeowners can deduct 40% of the cost of a solar installation (up to \$5,000 per year or \$20,000 total) from their state taxable income.
- **Low-Interest Energy Loans** – Through the Idaho Office of Energy Resources, residents can access loans up to \$30,000 with interest rates typically between 3–7%.
- **Idaho Falls Power Net Metering & Rebates** – Idaho Falls Power offers net metering for systems that match or fall below a home's previous 12-month usage, allowing customers to earn credits at market rates. The utility also provides occasional rebates for energy-efficient upgrades like all-electric manufactured homes, HVAC systems, and water heaters.

Montana

- **Energy Conservation Installation Credit** – Montana offers a tax credit of up to \$500 per taxpayer for energy-saving measures, including solar panel systems.
- **Net Metering** – Utilities like NorthWestern Energy provide net metering for solar systems up to 50 kW, allowing you to earn full retail credit for excess generation.
- **Property Tax Exemption** – Solar installations are exempt from property tax assessments for up to 10 years.

Colorado

- **Local Rebates and Utility Programs** – Depending on your utility provider (Xcel Energy, Holy Cross Energy, or Colorado Springs Utilities), you may qualify for rebates or performance-based incentives.
- **State Sales Tax Exemption** – Residential solar energy systems are exempt from Colorado state sales tax.
- **Property Tax Exemption** – Like Montana, Colorado also exempts the added value of solar from property tax assessments.
- **Robust Net Metering Policies** – Most major utilities in Colorado offer full retail net metering, which increases the value of your solar production.

Big Dog Solar serves the beautiful Idaho, Montana, and Colorado areas, and we're happy to walk you through any remaining state or utility programs you might be eligible for. Incentives are changing quickly—and as the federal tax credit ends, these local opportunities will become more important than ever.

Let us help you make the most of them while they last. [Get solar today!](#)



FAQ: The New Solar Tax Credit Changes

1. Is the federal solar tax credit already gone?

Not yet. The 30% Residential Clean Energy Credit is still available—but only through the end of 2025. H.R. 1 sets a hard expiration date. The time to go solar is now!

2. Will the credit be phased out gradually?

No. Under this bill, the full 30% credit ends on December 31, 2025, with no phase-down schedule. There are no plans to replace it at this time.

3. Do I need to have my solar system installed or just signed by 2025?

Yes. To qualify for the credit, your system needs to be fully installed, placed in service, and operational by the deadline—not just under contract.

4. Are there any other incentives left?

Many state and utility-level programs still offer rebates, net metering, or performance-based incentives. Big Dog Solar can help you identify what's still available in your area.