SOLAR FAITHFUL

Solar Tax Credit Changes

The federal budget bill (HR 1), signed on July 4th, 2025, has reduced the timeline to secure the full 30% Investment Tax Credit (ITC).

Why This Matters for Your Business

The ITC covers **30% of your solar project costs**, including panels, inverters, labor, and even energy storage. There could also be an additional 10% if you meet Domestic Content Requirements, and an additional 10% if the project is in an energy community.

How to Secure the Full 30%

1. **Assess feasibility** – Review your energy needs and site requirements.
2. **Start permitting early** – Delays here are the most common holdup.
3. **Lock in equipment & labor** – Avoid price hikes and supply bottlenecks as deadlines near.
4. **Finish and activate your system by December 31, 2027 - the system should be contracted by March/April 2027 at the latest to ensure that there will be time for the system to be activated.**

Further restrictions:

Overview of timeline & requirements	**Completed by December 31 2027**
Domestic Content Bonus Adder	55% of materials must be DC
Years to build	Build by Dec. 31, 2027
No materials connected to an FEOC (Foreign Entity of Concern)	Required

For further questions, contact your local Elective Pay Ambassador. These ambassadors have been trained to answer eligible entities' questions about making use of the tax credits. (only available in Michigan)

Disclaimer: We are not tax advisors, and rules may shift or develop further. Consult a tax professional for guidance tailored to your situation. Solar Faithful is neither responsible for nor can guarantee governmental actions.