

*Disclaimer: The information provided in this FAQ is for informational purposes only and does not constitute tax advice. You should consult with a qualified tax professional to determine your eligibility for these tax credits and how they apply to your specific situation.*

## **1. What is the deadline to qualify for the Residential Clean Energy Credit?**

The deadline for the Residential Clean Energy Credit (Section 25D) is **December 31, 2025**. To qualify, the PV system must be placed in service by this date. This means the system must be fully installed, operational, and ready for use. Simply purchasing the equipment and having it stored will not be eligible for the credit. There are no phase-down periods; the credit will expire completely after this date.<sup>1</sup>

## **2. What does "placed in service" mean for residential PV systems?**

For the Residential Clean Energy Credit (Section 25D), "placed in service" means that the PV system is fully installed, connected to the dwelling, and ready to generate electricity. This is a critical distinction from simply making an "expenditure." The tax credit is claimed for the tax year in which the property is completed, installed and placed in service, not when it is purchased.<sup>2</sup>

## **4. What costs are considered "qualified expenditures"?**

Qualified expenditures for the residential credit include more than just the equipment. They are defined as the costs of the new, qualified clean energy property and also include:

- Equipment Costs: The cost of the solar panels and other necessary hardware.
- Labor Costs: All labor for the on-site preparation, assembly, and original installation of the system.
- Installation Materials: Costs for wiring, piping, or other materials required to connect the system to your home.
- Ancillary Costs: This means that costs for design and permitting that are directly related to the on-site installation can be included.<sup>3</sup>

## **5. Do batteries qualify for the residential credit?**

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<sup>1</sup> [FAQs for modification of sections 25C, 25D, 25E, 30C, 30D, 45L, 45W, AND 179D under Public Law 119-21, 139 Stat. 72 \(July 4, 2025\), commonly known as the One, Big, Beautiful Bill Act \(OBBA\) | Internal Revenue Service](#)

<sup>2</sup> [FAQs for modification of sections 25C, 25D, 25E, 30C, 30D, 45L, 45W, AND 179D under Public Law 119-21, 139 Stat. 72 \(July 4, 2025\), commonly known as the One, Big, Beautiful Bill Act \(OBBA\) | Internal Revenue Service](#)

<sup>3</sup> [Home energy tax credits | Internal Revenue Service](#)

Yes, battery storage systems qualify for the residential credit. They must meet the following requirements:

- Capacity: Have a capacity of at least 3 kilowatt-hours (kWh).
- Installation: Be installed in connection with a residential dwelling.
- New Property: Be new and previously unused.

The credit applies to battery systems installed at the same time as new solar panels or to standalone battery systems installed at a later date, as long as it's no later than the December 31, 2025, deadline.<sup>4</sup>

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<sup>4</sup> [Residential Clean Energy Credit | Internal Revenue Service](#)