BILL'S HOME TECH

Home & Small Business Tech Solutions

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The Federal Solar Tax Credit Is Gone — What Changed for 2026

The 30% homeowner credit ended Dec 31, 2025 — what it means, who it affects, and how not to be misled

Plain-English solar help from:

Bill's Home Tech

Portage County, Ohio

Tech Made Simple. Service Made Personal.

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SUMMARY

The 60-Second Version

The 30 percent federal tax credit for homeowners who buy solar — the Residential Clean Energy Credit, or "25D" — ended on December 31, 2025. If you buy a system in 2026 with cash or a loan, you get nothing from it, which stretches payback in Ohio to commonly 11 to 16 years or more.

A separate business credit may still apply to leases and PPAs, but the leasing company keeps that, not you — which is why leases are suddenly pushed harder. Treat any quote or calculator that still assumes the 30 percent as out of date, confirm tax specifics with a tax professional, and never let a "lock in the credit" deadline rush you — it has already passed.

Bill has no stake in your decision and will read the real numbers with you.

1 The Short Version

For years, the government handed solar buyers a big discount: a federal tax credit worth 30 percent of what you spent on a home solar system. That credit for homeowners who buy their own system ended on December 31, 2025. If you buy a system in 2026, you cannot claim it. This is the most important thing to understand about solar this year.

This is not a rumor and it is not a sales trick — it is the law as of now. But because so many websites, calculators, and salespeople still quote the old 30 percent, it is easy to be misled. This guide explains plainly what changed, who is affected, and what it means for your decision, so nobody can use a dead tax break to rush you.

- The 30% residential solar tax credit (the "25D" credit) ended December 31, 2025.
- Homeowners who BUY a system in 2026 — with cash or a loan — get $0 from it.
- Old online calculators and pitches still assume the credit; treat them as wrong for 2026.

- A lease or PPA may still use a separate business credit — but the leasing company keeps it, not you.

> **TIP**
> Anytime a solar quote mentions a tax credit, ask one question: "Is that for me, as the buyer, in the year I would actually install this?" For a 2026 purchase, the honest answer is no. Confirm with a tax professional before counting on any credit.

2 What Exactly Went Away

The credit that ended is officially the Residential Clean Energy Credit, often called by its tax-code number, Section 25D. For a long time it let a homeowner subtract 30 percent of the cost of an owned solar system straight off their federal taxes. On a twenty-five-thousand-dollar system, that was about seventy-five hundred dollars back — real money that made payback much faster.

A tax law passed in 2025 moved up the end date for this homeowner credit to December 31, 2025. So systems a homeowner buys and installs in 2026 and beyond do not qualify. It is a clean cutoff, not a slow phase-down, which is why it hits 2026 math so hard.

> **GOOD TO KNOW**
> A "tax credit" is different from a "deduction." A credit comes straight off the taxes you owe, dollar for dollar, which is why 30 percent of a big purchase mattered so much. Losing it is like losing a coupon for nearly a third of the price.

3 Who Is Affected — and Who Is Not

The change hits the most common solar buyer: a homeowner paying cash or taking a loan to own panels on their own roof. That person gets nothing from the old credit for a 2026 purchase. It is worth being clear-eyed about this, because it changes the payback picture in a real way.

- Buying with cash in 2026: no federal credit. You pay the full price.
- Buying with a loan in 2026: no federal credit either — a loan does not change the tax rules.
- Leasing or signing a PPA: a separate business credit may apply, but it goes to the company that owns the panels, not to you.
- Already installed and "placed in service" by the end of 2025: you may still claim it on your 2025 taxes — ask your tax professional.

WATCH OUT

If you installed a system in late 2025, do not assume you missed out — but do not assume you qualify either. The rules turn on exactly when the system was finished and "placed in service." This is a question for a tax professional, not a salesperson.

4 Why Leases and PPAs Are Suddenly Pushed Harder

You may notice more sales pitches steering you toward a lease or a "power purchase agreement" (PPA) instead of buying. There is a reason, and it is worth understanding. When a company owns the panels on your roof and you just pay to use the power, that company may still be able to claim a separate business-side tax credit that homeowners lost.

So the credit did not fully disappear from the industry — it shifted to the companies that own leased systems. That credit helps their bottom line, not yours. A lease can still make sense for some people, but be aware that the tax advantage in that arrangement benefits the leasing company, and you are trading away ownership to get it.

WATCH OUT

A lease or PPA is not automatically a bad deal, but it is a very different thing from owning. Before you sign one, read our "Buy, Loan, Lease, or PPA" guide — and I am happy to walk through the fine print with you, because leases are where the most confusing terms hide.

5 What This Does to Your Payback

Losing a credit worth roughly a third of the price does exactly what you would expect: it stretches the time to earn your money back. Where payback in Ohio might have been in the single digits or low teens of years with the credit, buyers in 2026 are commonly looking at something like eleven to sixteen years or more, depending on the system, the price, and your electric rates.

1. Take the full system price — there is no 30 percent to subtract anymore.
2. Estimate your yearly electric-bill savings from the solar.
3. Divide the full price by those yearly savings to get payback in years.
4. Compare that to how long you plan to stay and how long the equipment is warrantied.

None of this means solar is a bad choice now. It means the decision deserves fresh, honest math — not a number carried over from the years when the credit existed. Any calculator or quote that still bakes in the 30 percent is overstating your savings.

TIP

If a quote shows a rosy payback, ask whether it assumes the federal credit. If it does, politely ask them to redo it without — and watch how the numbers change.

6 Beware the "Act Now Before It's Gone" Pitch — It's Already Gone

A classic high-pressure line is "lock in the tax credit before it disappears." In 2026, for a homeowner buying a system, there is no credit left to lock in — it already expired. So that particular urgency is hollow, and hearing it should make you more cautious, not less.

Pressure built on a deadline that has already passed is a red flag about the whole pitch. An honest installer in 2026 will tell you the credit is gone for buyers and help you decide on the real, current numbers. A salesperson still dangling it is counting on you not knowing.

WATCH OUT

"Prices and incentives are changing — you need to decide tonight" is a manufactured deadline. Real solar quotes are good for days or weeks. Never let a fake incentive clock rush a decision this large. Take the time to confirm the facts yourself.

Rather not do this yourself? I'll come to your home and set it up for you — a flat $99 first visit across Portage County, Ohio and nearby communities. Outside the area? I also help remotely by phone or screen-share. Book at billshometech.com/book or call (330) 200-8042.

7 What Incentives, If Any, Are Left

The big federal homeowner credit is gone, but it is worth checking, calmly, whether anything else applies — because programs change and vary by location. The honest truth is that in Ohio there is no statewide program that replaces the lost 30 percent for a typical homeowner, so expect to pay closer to full price.

- State and local programs change often; check with your utility and the state energy office for anything current.
- Some utilities run their own small solar or efficiency programs — ask yours directly.
- Any incentive you are told about should be confirmed in writing from the source, not taken on a salesperson's word.
- Do not count a possible incentive in your payback math until you have confirmed you actually qualify.

> **GOOD TO KNOW**
> Incentive programs come and go and have fine print about who qualifies. The safe approach is to treat your payback math as if there are no incentives, then treat any you truly qualify for as a bonus. That way a disappearing program never wrecks your plan.

8 If You Were Counting on the Credit

If you had been planning around the 30 percent and feel the rug was pulled out, that is a completely understandable reaction, and it is not your fault for not keeping up with a tax-law change. Lots of people are in the same spot. The point now is to make a clear decision with the rules as they actually are.

It may mean a smaller system, a longer timeline, waiting to see whether prices or programs shift, or deciding solar is not the right fit this year. All of those are reasonable, and none of them is a mistake if you choose it with the real numbers in front of you. What would be a mistake is signing a big contract based on a benefit that no longer exists.

> **WATCH OUT**
> If you are not sure where the new math leaves you, that is exactly the kind of thing I can help you sort out — with no sales pressure, because I have nothing to sell you. We will look at the real numbers together and you decide.

9 A Short History of the 30% Credit

It helps to understand where the credit came from, so its ending feels less like a surprise and more like a known policy change. The federal government offered a solar tax credit for many years as a way to encourage people to put up panels, and at its peak it was worth 30 percent of the cost of an owned system. That generosity is a big reason solar grew so fast in the last decade.

Policies like this are set by Congress and have always had end dates that get extended, changed, or allowed to expire. In 2025 a new law moved the homeowner credit's end date to December 31 of that year. So the credit did its job for a long time and then ended — a normal arc for this kind of incentive, even if the timing stings for 2026 buyers.

> **GOOD TO KNOW**
>
> Because these credits are a political decision, people sometimes hope a future one will bring it back. That is possible but entirely unknown, and no such credit exists for buyers right now. Never base a purchase on a credit that might someday return — decide on the rules that actually exist today.

10 Common Questions About the Change

A few questions come up again and again once people learn the credit is gone. Here are straight answers to the most common ones, though your own situation and any tax specifics should always be confirmed with a tax professional.

- "Can I still claim it if I sign in 2025 but install in 2026?" The rules turn on when the system is finished and placed in service — ask a tax professional about your exact dates.
- "Does taking a loan instead of paying cash bring the credit back?" No. A loan does not change the tax rules; a 2026 buyer gets nothing either way.

- "Is there a state credit in Ohio that replaces it?" No statewide program replaces the lost 30 percent for a typical homeowner.
- "Will the credit come back?" Unknown. Do not count on it. Decide on today's rules.

> **WATCH OUT**
>
> Notice how many of these questions a salesperson could answer in a misleading way to keep a deal alive. When the answer involves taxes, the only person to trust is your own tax professional — not someone earning a commission on your signature.

11 How to Protect Yourself in 2026

The disappearance of the credit does not just change the math — it changes the sales environment. With a big incentive gone, some sellers lean harder on pressure, creative financing, and leases to keep deals moving. A few simple habits protect you from all of it.

1. Assume any quote or calculator mentioning the 30 percent credit is out of date for a 2026 purchase.
2. Ask every installer to confirm, in writing, what incentives apply to you specifically this year.
3. Confirm anything tax-related with your own tax professional, not the salesperson.
4. Get multiple written quotes and compare them on full, after-incentive price.
5. Never sign the same day, and have a trusted person — or Bill — review the contract first.

> **TIP**
>
> Write the words "the 30% federal credit ended Dec 31, 2025" on a sticky note and keep it with your quotes. It is the single fact most likely to be glossed over, and remembering it keeps you grounded through any pitch.

12 What the Credit Was Worth — Before and After

The clearest way to feel this change is to put a 2025 buyer and a 2026 buyer side by side on the very same system. The panels, the price, and the power are identical; only the tax credit is gone. Here is what that one difference does.

	Bought in 2025	Bought in 2026
System price	$25,000	$25,000
30% federal credit	-$7,500	$0
Net cost to you	$17,500	$25,000
Yearly bill savings	About $1,300	About $1,300
Rough payback	About 13 years	About 19 years

1. Find the system's full price before any credit — the number at the top of the quote.
2. Cross out any line that assumes a 30 percent federal credit if you are buying in 2026 as a cash or loan customer; for you it is zero.
3. Use the full price as your real cost, and build payback on that.
4. Confirm the current rules with a tax professional before counting on any credit at all.

WATCH OUT

A credit worth several thousand dollars disappearing does not make solar a bad idea, but it adds years to payback. Treat any quote, flyer, or online calculator built on the old 30 percent figure as simply out of date for a 2026 purchase.

Rather not do this yourself? I'll come to your home and set it up for you — a flat $99 first visit across Portage County, Ohio and nearby communities. Outside the area? I also help remotely by phone or screen-share. Book at billshometech.com/book or call (330) 200-8042.

13 The Leasing-Company Loophole You'll Hear About

You may hear a salesperson say the tax credit "still exists" in 2026. There is a grain of truth in that, and it is worth understanding so you are not caught off guard. The homeowner credit for people who buy is gone. A separate business-side credit for companies that own solar equipment can still apply in some cases — and a leasing company is a business that owns the panels on your roof.

- If you buy the system, you are the owner, and your homeowner credit ended on December 31, 2025.
- If you lease, or sign a power purchase agreement, the leasing company owns the panels and may be able to claim a business credit.
- That credit, if claimed, belongs to the leasing company, not to you — you do not see it on your taxes.
- A salesperson may dangle it as a reason to lease rather than buy. Treat that as a sales point, not a gift to you.

> **WATCH OUT**
>
> Whether that business credit applies, and how much of it ever reaches you through a slightly lower lease payment, is genuinely complicated and keeps changing. This is a question for a tax professional, not a doorstep salesperson. If someone leans hard on "the credit" to push you into a lease, that alone is a reason to pause and get independent advice.

14 If You Have Leftover Credit From an Earlier Year

There is one group this change does not strand: people who already installed solar and claimed the credit in 2025 or earlier but could not use all of it against one year's taxes. That unused amount generally carries forward to future years. Losing the ability to earn a new credit is different from losing one you already earned.

1. Look back at your tax return for the year you installed solar to see whether a credit was claimed.
2. Check whether the full amount was used against that year's tax, or whether part carried over.
3. If part carried over, bring last year's return to your tax preparer and ask how to apply the remaining amount.
4. Do not assume a doorstep salesperson understands your tax situation — only your preparer sees your whole picture.

> **GOOD TO KNOW**
>
> This matters because some homeowners wrongly believe the 2026 change wiped out credit they already earned. It did not. If you installed before 2026, the credit you qualified for is still yours to finish using — confirm the details with your tax professional.

15 What to Say When a Salesperson Mentions '30 Percent'

Because this change is recent, you will meet sellers who still talk as if the credit is here. Some are simply behind; a few are hoping you have not heard. You do not need to debate them. A few calm sentences protect you completely.

- "My understanding is the homeowner credit ended at the start of 2026 — are you telling me I'll personally receive 30 percent back?"
- "Please show me, in writing, exactly which credit this is and who claims it."
- "I'll confirm any tax claim with my own tax preparer before I count on it."
- "If the savings only work with a credit I can't claim, then the savings don't work."

> **TIP**
>
> Put the burden of proof on the seller, gently. Asking them to write down which credit they mean, and who actually receives it, ends almost every misleading pitch on the spot — because a vague "30 percent" rarely survives being written down.

16 Words You'll Hear

A short translation guide for the terms that come up around the tax-credit change.

Term	What it really means
Residential Clean Energy Credit	The 30 percent homeowner credit for buying solar; it ended December 31, 2025.
Placed in service	Tax talk for when the system is installed and running — the date that decides eligibility.
Carryforward	Unused credit from a past year that you can apply to a future year's taxes.
Tax credit vs deduction	A credit cuts your tax bill dollar-for-dollar; it is not a check in the mail.
Business energy credit	A separate credit a company (like a leasing firm) may claim on equipment it owns.
PPA	A power purchase agreement — you buy the power, a company owns the panels.

GOOD TO KNOW

A tax credit was never a rebate check — it only helped people who owed enough tax to use it. That is one reason losing it hits some households harder than others, and another reason to talk to a tax professional about your own situation.

17 Questions People Ask Us

The questions Bill hears most since the credit ended, with plain answers.

Is it worth rushing to buy before something else expires?

No. The homeowner credit is already gone, so there is nothing left to beat the clock on. "Act now before it expires" is now a pure sales line, because the deadline it refers to has already passed.

Could the credit come back?

Tax law can always change, but you should decide based on today's rules, not a hoped-for future one. Never sign a long contract betting a credit will return.

Does Ohio have its own credit to replace it?

Ohio does not offer a broad state solar tax credit to fill the gap. Any local incentive would be narrow and specific, so confirm anything a seller claims directly with the program itself.

Should I still consider solar at all?

Possibly. It just has to stand on its own math now, without the credit propping up the payback. Get three written quotes and judge it honestly.

> **GOOD TO KNOW**
>
> If you are unsure whether a deal still makes sense with the credit gone, that is the perfect thing to have a neutral set of eyes check before you commit tens of thousands of dollars.

18 When to Call Bill

Tax rules are confusing, they change, and solar companies have every reason to describe them in the most flattering way. You do not have to untangle it alone. Bill does not sell or install solar and has no stake in your decision, so the read he gives you is a straight one.

- A quote or salesperson is still promising you "the 30% credit" for a 2026 install.
- You want to understand how the lost credit changes your real payback.

- You are being nudged toward a lease or PPA and want to know what you would be giving up.
- You installed in late 2025 and want to understand the timing before you file taxes.
- You simply want an honest, independent opinion before signing anything.

Call Bill at (330) 200-8042. He will help you see the 2026 rules clearly and decide calmly — and for any tax specifics, he will point you to a tax professional so you get it right.

CHEAT SHEET

Everyday Cheat Sheet

Keep this with your solar quotes. The one fact that is most often glossed over in 2026.

I want to...	Do this...
Know the big change	The 30% homeowner credit (25D) ended Dec 31, 2025 — buyers in 2026 get $0
Check a quote's math	Ask "does this assume the 30% credit?" If yes, have them redo it without
Understand leases	A lease/PPA may use a business credit — but the company keeps it, not you
Spot a false deadline	"Lock in the credit" is hollow in 2026 — it's already gone
Verify any incentive	Confirm in writing from the source, and tax items with a tax professional
Redo your payback	Use the FULL price (no 30% off) divided by yearly savings
Get help	Call Bill: (330) 200-8042

BEFORE YOU GO

A Note From Bill

A quick note from Bill. I write these guides to make home tech a little less frustrating, and I do my best to keep every step accurate and up to date. Still, every home, device, and setup is a bit different, so I can't promise a guide will match yours exactly or fix your particular problem. These guides are for general information only — they're not professional, legal, or financial advice, and they don't replace your device's own manual or the manufacturer's instructions. Please go slow, use your own good judgment, and use everything here at your own risk. If a step involves electrical wiring, a gas appliance, a water heater, plumbing, or climbing a ladder — or if anything just doesn't feel safe — please stop and call a licensed professional (or give me a call at 330-200-8042). Bill's Home Tech and Bill Davis can't be responsible for any damage, data loss, or injury that results.

HOW I CAN HELP

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You don't have to remember all of it — just that a friendly, patient person is one call away, whenever you'd rather have a hand.

KEY SPECS

In your home — $99 flat for the first visit, no contracts and no surprises, with a 30-day come-back-free follow-up. In-home visits cover Portage County, Ohio and nearby communities.
Outside the area? Remotely — $49 for a screen-share session (free for Support Plan members, $39/mo), refundable if I can't fix it — and credited toward a visit if you'd rather have me in person. Book either at billshometech.com/book.

GOOD TO KNOW

My promise — If you're not 100% satisfied with your visit, I'll come back at no charge, or refund the full $99. No questions, no awkwardness. That's how I'd want to be treated.

Whenever you're ready, I'll come to your home anywhere in Portage County, Ohio and nearby communities, at your pace. Too far for a house call? I also help remotely. Book at billshometech.com/book or call (330) 200-8042. — Bill

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