

## **Time Sensitive! Clean Energy Tax Credits Are Expiring Soon.**

Following the signing of the One Big Beautiful Bill Act into law on July 4th, many of the existing clean energy and energy efficiency tax credits previously enacted are now set to expire. **In some cases, these credits will no longer be available for new expenditures after September 30th!**

What is a Tax Credit? A tax credit is a dollar-for-dollar reduction of the tax you owe. That is more favorable than a deduction, which only reduces taxable income. For example, a \$3,000 credit applied to a \$5,000 tax bill reduces your tax liability to \$2,000.

Continue reading for a quick summary of the most common energy tax credits currently available for individuals and businesses, links with more information, and suggestions for your next steps.

### **Tax Credits for Individuals:**

#### **Clean Vehicle Tax Credits – expiring after September 30th, 2025!**

- [Section 30D – Clean Vehicle Tax Credits](#) – up to \$7,500 per new vehicle. MSRP up to \$80,000 for vans, SUVs, pickup trucks, or \$55,000 on other vehicles. Either you can claim the credit when you buy the vehicle or you can claim the credit when you file your returns.
  - See <https://fueleconomy.gov> for qualifying vehicles. Note that your AGI cannot exceed \$300k if filing jointly, \$225k as head of household, or \$150,000 filing single.
- [Section 25E – Used Clean Vehicle Tax Credits](#) – up to \$4,000 per used vehicle. Models two years or older, prices up to \$25,000. Claim the credit when buying, or on your tax returns.
  - See <https://fueleconomy.gov> for qualifying vehicles. Note that your AGI cannot exceed \$150k if filing jointly, \$112.5k as head of household, or \$75,000 filing single.

#### **Residential Clean Energy and Energy Efficiency Tax Credits – expiring after December 31st, 2025!**

- [Section 25C – Energy Efficient Home Improvement Tax Credits](#) – up to \$3,200 in a combination of many different qualifying energy-efficient home improvements. Limited to your main home. Note partial business use of the home may limit the credits.
- [Section 25D – Residential Clean Energy Tax Credits](#) – up to 30% of the costs of new solar, wind, geothermal, fuel cells, and battery storage installations. This credit has no annual or lifetime dollar limit, except for credit limits for fuel cell property. Limited to your main home. Note partial business use of the home may limit the credits.

#### **Vehicle Chargers, Fuel Dispensers, and Storage Tax Credits – expiring after June 30th, 2026!**

- [Section 30C – Alternative Fuel Vehicle Refueling Property Tax Credits](#) – up to \$1,000 per qualifying item (charging port, fuel dispenser, or storage property) in an eligible location.

## Tax Credits for Businesses:

### Clean Vehicle Tax Credits – expiring after September 30th, 2025!

- [Section 30D – Clean Vehicle Tax Credits](#) – up to \$7,500 per new vehicle. MSRP up to \$80,000 for vans, SUVs, pickup trucks, or \$55,000 on other passenger vehicles. Businesses cannot claim the credit at the time of purchase but can claim when filing the tax returns.
  - See <https://fueleconomy.gov> for qualifying vehicles.
- [Section 45W – Commercial Clean Vehicle Tax Credits](#) – up to \$40,000 per new vehicle weighing 14,000 pounds or more by gross vehicle weight rating, like buses or semi-trucks.
  - Requires careful research to determine if qualifying.

### Alternative Fuel Property and Home Builders Tax Credits – expiring after June 30th, 2026!

- [Section 30C – Alternative Fuel Vehicle Refueling Property Tax Credits](#) – up to \$100,000 per qualifying item (charging port, fuel dispenser, or storage property) in an eligible location.
- [Section 45L – New Energy Efficient Home Tax Credits](#) – up to \$5,000 per home for eligible contractors who build or substantially reconstruct qualified new energy-efficient homes.

*Note that there are other energy tax credits for businesses generally expiring over the next 5 years.*

## Next Steps:

Don't wait until the last minute. The vehicle you wanted might be sold out, and the contractors or equipment might be backlogged past these tax credit expiration dates... but don't rush, either.

The businesses selling the vehicles and providing the home and business installations may be great at what they do but they are probably not tax experts. Before you sign the dotted line, check that the particular version of what they are providing actually qualifies for tax credits, and that you can qualify to claim them. If the law requires certain certifications or effectiveness percentages, and your purchase doesn't meet requirements, then you don't qualify for the credit.

Note that energy tax credits are nonrefundable for individuals, which means, if you don't have tax liabilities to offset, then you don't get to claim a refund of the excess tax credit. If you have a business, unused tax credits may generally be carried back 1 year and forward 20 years. In regard to a tax-exempt organization, certain tax credits may be received as refunds instead of tax offsets.

**Consult your tax advisor** before you commit to any decisions inspired by things you read here. If you don't have a tax advisor, take a look at my company website ([davconsultingllc.com](http://davconsultingllc.com)), fill out the contact form, and let's talk about how we could work together. Short story, my name is Daniel, and I am a CPA with 11+ years' experience in helping my clients stay ahead of tax-day surprises.