

Claim the credits using the IRS Form 5695.  
 Instructions for Form 5695 (Print Version - PDF)  
 What products are eligible? Solar Water Heaters.  
 Solar water heaters come in a wide variety of  
 designs, all including a collector and storage tank,  
 and all using the sun's thermal energy to heat water.



You may be able to take a credit of 30% of your  
 costs of qualified solar electric property, solar water  
 heating property, small wind energy property,  
 geothermal heat pump property, battery storage  
 technology, and fuel cell property.



This tax credit can offset some of the costs  
 associated with the purchase and installation of  
 qualified refueling and recharging equipment.  
 Eligible tax-exempt and governmental entities can  
 claim the ? 30C Alternative Fuel Vehicle Refueling  
 Property Credit for qualified property, including  
 electric vehicle charging equipment, through a new



Information about Form 5695, Residential Energy Credits, including recent updates, related forms and instructions on how to file. Use Form 5695 to figure and take your nonbusiness energy property credit and residential energy efficient property credit.



Part I Residential Clean Energy Credit (See instructions before completing this part.) Note: Skip lines 1 through 11 if you only have a credit carryforward from 2021. For Paperwork Reduction Act Notice, see your tax return instructions.



If you invest in renewable energy for your home such as solar, wind, geothermal, fuel cells or battery storage technology, you may qualify for an annual residential clean energy tax credit. On this page. How it works; Who qualifies; Qualified expenses; Qualified clean energy property; How to claim the credit; Related resources; How it works

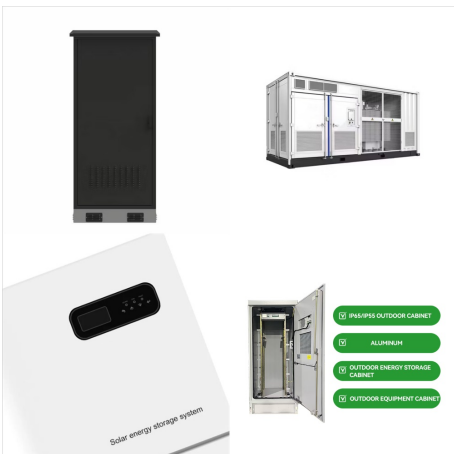
# SOLAR ENERGY TAX CREDIT FORM **SOLAR**



Overview. There are two tax credits available for businesses and other entities like nonprofits and local and tribal governments that purchase solar energy systems (see the Homeowner's Guide to the Federal Tax Credit for Solar Photovoltaics for information for individuals):



Developed by the U.S. Department of Energy (DOE) Solar Energy Technologies Office (SETO), these guides provide overviews of the federal solar investment tax credit, known as the ITC, for homeowners, businesses, and solar manufacturers.



How do I claim the federal solar tax credit? After seeking professional tax advice and ensuring you are eligible for the credit, you can complete and attach IRS Form 5695 to your federal tax return (Form 1040 or Form 1040NR). Instructions on filling out the form are available here. Where can I find more information? Ask Questions



For a multifamily dwelling unit certified to eligible version of the ENERGY STAR Multifamily New Construction (MFNC) program requirements, the tax credit is \$500 per dwelling unit, or \$2,500 when prevailing wage requirements are met. Higher tax credits are available for homes that are certified to DOE's Zero Energy Ready Homes program.



Some community solar providers offer a fixed discount (e.g., 10%) on the solar energy generated every month, while others have a fixed electricity rate. With a fixed discount, you're effectively buying credits for the solar energy that's generated during the billing period.



Generally, you can claim a tax credit on the expenses related to the new solar PV system that already came installed on the house for the year in which you moved into the house (assuming the builder did not claim the tax credit)???in other words, you may claim the credit in 2021.



calculates tax credits for various qualified residential energy improvements, including geothermal heat pumps, solar panels, solar water heating, small wind turbines, and fuel cells. We'll use a solar energy system's \$25,000 gross cost as an example.



The total cost of the solar system is \$20,000. Qualifying for the 30% Residential Clean Energy Credit, you can claim \$6,000 ( $\$20,000 \times 0.30$ ) as a federal tax credit. When you file your taxes for the year, you find that you owe \$7,000 in federal income tax. By applying the solar tax credit, your tax liability is reduced to \$1,000 ( $\$7,000 - \$6,000$ ).



The residential solar energy credit is worth 30% of the installed system costs through 2032. 26% in 2033. 22% in 2034 and expires after that. What is the Residential Clean Energy Credit? In an effort to encourage Americans to use solar power, the US government offers tax credits for solar systems.



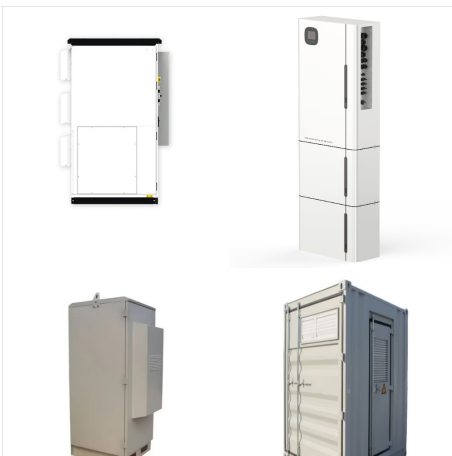
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In total, the maximum annual credit for the energy-efficient home improvement credit is generally \$1,200 (Sec. 25C (b) (1)). For certain heat pumps, heat pump water heaters, and biomass stoves or boilers, a separate maximum credit of \$2,000 applies (Secs. 25C (b) (5) and (d) (2)). Individual taxpayers should be cautioned that this credit is



In addition to the energy efficiency credits, homeowners can also take advantage of the modified and extended Residential Clean Energy credit, which provides a 30 percent income tax credit for clean energy equipment, such as rooftop solar, wind energy, geothermal heat pumps and battery storage through 2032, stepping down to 22 percent for 2033 a



You will need four IRS tax forms to file for your solar tax credit: Form 1040. Schedule 3 (Form 1040) Form 5695. Instructions for Form 5695 (latest version) You'll also need: Receipts from your solar installation. A calculator. A pencil. Form 1040 is the standard federal income tax form.



You will need to file Form 5695, Residential Energy Credits when you file your tax return for year in which your residential energy property was put in service. Learn the steps for claiming a residential clean energy tax credit.



??? Solar PV systems installed in 2020 and 2021 are eligible for a 26% tax credit. In August 2022, Congress passed an extension of the ITC, raising it to 30% for the installation of which was between 2022-2032.4 It will decrease to 26% for systems installed in 2033 and to 22% for systems installed in 2034.



The Residential Clean Energy Credit (formerly known as the ITC) is a tax credit worth 30% of the gross cost of your solar project (parts, labor ??? the whole chalupa) with no maximum incentive amount.