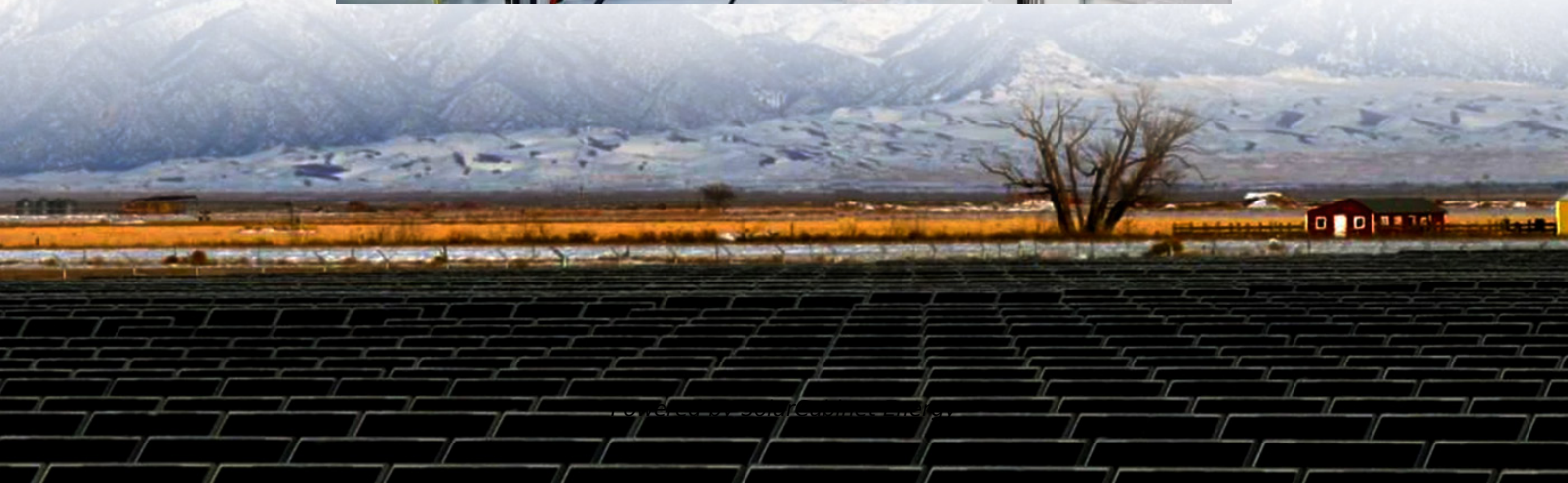


Energy storage cabinet converted to solar power generation credit





Overview

You may claim the residential clean energy credit for improvements to your main home, whether you own or rent it. Your main home is generally where you live most of the time.

The Residential Clean Energy Credit equals 30% of the costs of new, qualified clean energy property for your home installed anytime.

Qualified expenses include the costs of new clean energy property including: 1. Solar electric panels 2. Solar water heaters 3. Wind.

Clean energy property must meet the following standards to qualify for the residential clean energy credit. Solar water heaters must be certified by the Solar Rating Certification.

The Residential Clean Energy Credit allows homeowners to claim a tax credit for 30% of the cost of installing renewable energy systems, including energy storage solutions like battery systems paired with solar panels and solar water heaters. What tax credits are available for solar energy installations?

There are two federal tax credits that incentivize solar installations: (1) the Section 48 Investment Tax Credit (ITC) available to businesses who invest in solar energy systems; and (2) the Section 25D residential credit that may only be claimed by individuals who purchase a solar energy system or a standalone energy storage system for their home.

Are energy storage technologies eligible for 48 credits?

Other modifications to definitions include, but are not limited to, the following: Energy storage technology is eligible for the §48 credit if it satisfies the requirements, notwithstanding that it may be co-located or shared by a facility that is otherwise eligible for §45, 45V, or other 48 credits.

How has the energy storage industry progressed in 2024 & 2025?

The energy storage industry has continued to progress over the course of 2024 and into 2025, buoyed in significant part by the federal income tax benefits in the form of tax credits enacted under the Inflation Reduction Act of



2022 (IRA).

Who can claim energy storage credits?

Taxpayers with a qualified facility and energy storage technology placed in service after Dec. 31, 2024 may claim the credit. Elective payment and transfer of credits may be available to certain applicable entities to include tax-exempt organizations and government entities.

Do energy storage projects qualify for a new ITC?

Energy storage projects placed in service after Dec. 31, 2022, that satisfy a new domestic content requirement will be entitled to a 10% additional ITC (2% for base credit).

How do I claim a residential energy credit?

File Form 5695, Residential Energy Credits with your tax return to claim the credit. You must claim the credit for the tax year when the property is installed, not merely purchased. For additional instructions on how to claim the credit for residential clean energy follow our step-by-step guide.



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[The State of Play for Energy Storage Tax Credits - Publications](#)

This guidance has provided welcome clarity for sponsors, investors, lenders, credit buyers, equipment vendors, service providers, and tax credit insurance providers, allowing for ...

[Residential Clean Energy Credit & Home Battery Systems](#)

Battery storage tax credit and solar tax credit fall under the same legislation: "The residential clean energy credit". The residential clean energy credit is the only official name. It ...



[What are the specific requirements to qualify for the federal tax](#)

Expanded Eligibility: The Inflation Reduction Act expanded eligibility for standalone energy storage systems beyond those connected to solar, allowing for a broader range of ...

Inflation Reduction Act Creates New Tax Credit Opportunities for Energy

Energy storage installations that begin construction after Dec. 31, 2024, will be entitled to credits under the technology-neutral ITC under



new Section 48E (discussed below). ...



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