



SUNFARM ENERGY SOLAR FRIDAY

# WHAT IS THE SOLAR INVESTMENT TAX CREDIT?



**The investment tax credit (ITC) is a federal incentive program to install solar.**

The ITC, also referred to as the solar tax credit, was originally established through the Energy Policy Act of 2005 and was set to expire in 2007.

Thanks to its popularity, it has been extended multiple times.

## **The ITC allows you to deduct a percentage of your system cost from your taxes.**

In 2022, you can deduct 30% of the cost of your system from your federal taxes. That means that if you owe taxes the next time you file, you can draw from that credit instead of owing money out of your own pocket.



## It's important to note that the ITC is not a rebate program.

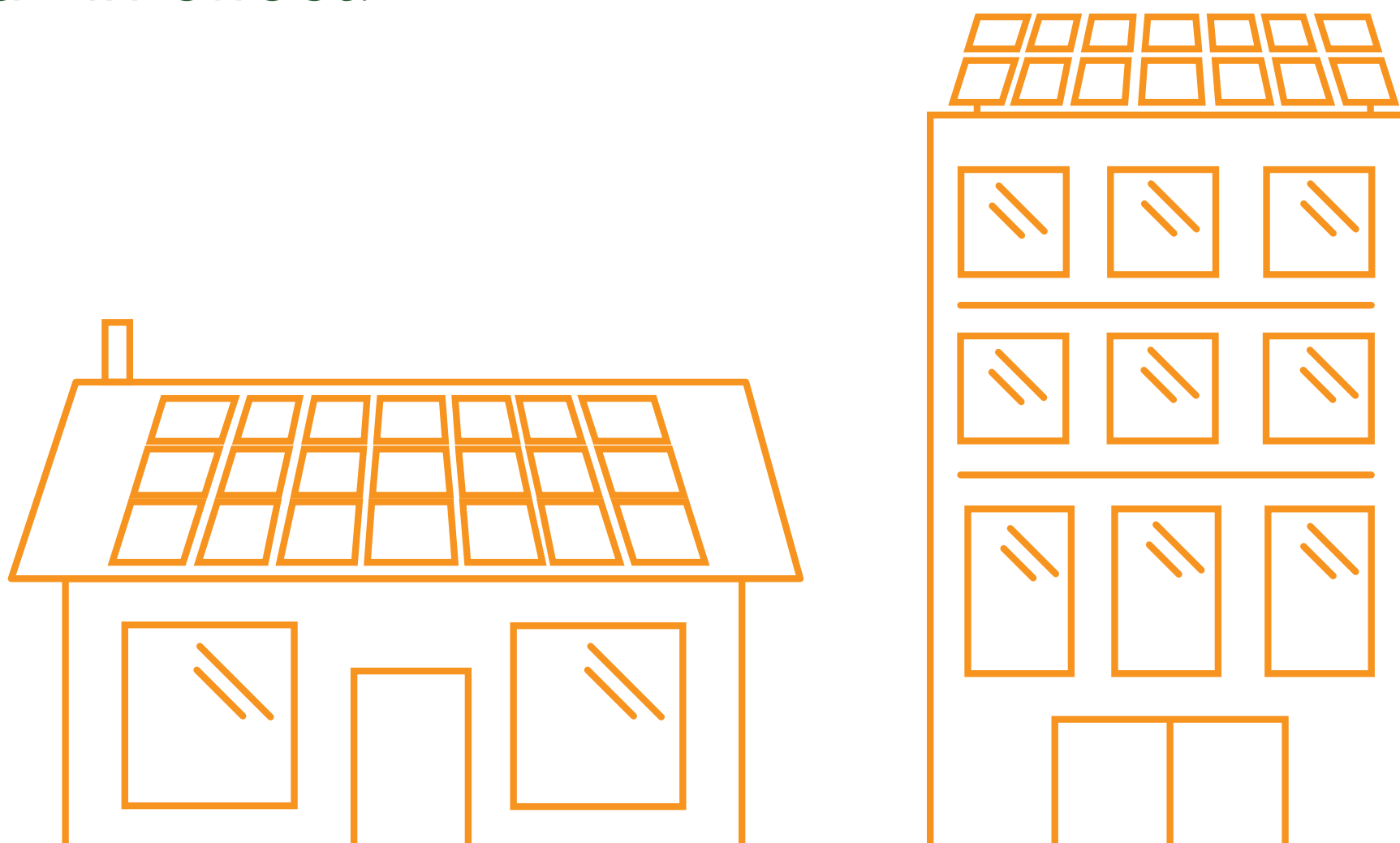
While we hope to see a shift in solar incentives that provide direct cash to customers who go solar, the current program works as a true credit against any federal taxes you may owe.



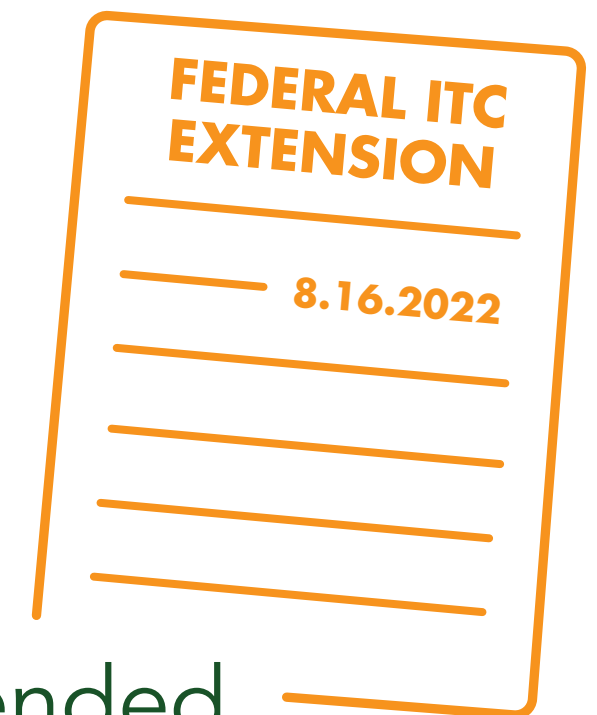
## **Both residential and commercial customers are eligible to claim the ITC.**

This incentive applies to both residential and commercial systems and there's no cap on its value.

If you don't have enough tax liability to utilize the tax credit in one year, you can "roll over" the remaining credit for as many years as the ITC is still in effect.



## **The ITC was recently extended for another ten years!**



Since 2007, the federal ITC has been extended three times, with the most recent extension taking place in 2022.

The 30% rate will be available until 2032.

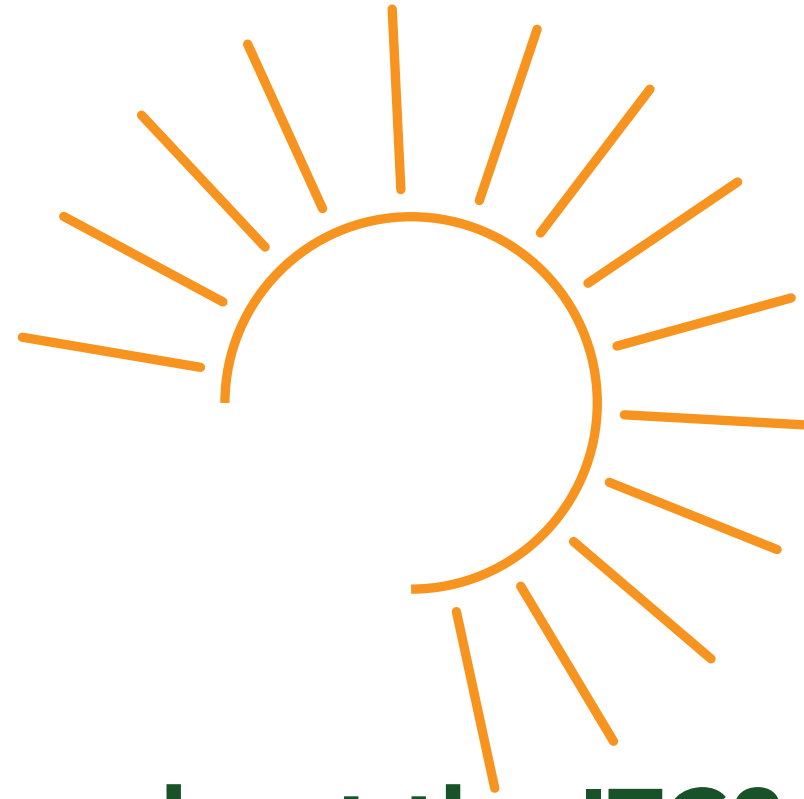
In 2033, the incentive will drop to 26%, and will drop to 22% in 2034.

## **Incentives like the ITC are crucial for our transition to renewable energy.**



Incentives like the federal ITC are a key part of helping the U.S. quickly make the transition to renewable energy.

Thanks to the ITC, solar customers can save money, create a more resilient grid, and do something good for our planet.



**Want to learn more about the ITC?  
Give us a call, or talk to your tax expert.**

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