

TaxBrief

Keeping you informed

Electric cars and energy credit

Don't miss out: expiring energy tax credits under OBBBA

The *One Big Beautiful Bill Act* (OBBBA) has accelerated the expiration of several valuable energy credits and deductions. If you've been thinking about upgrading your home, purchasing a clean vehicle or starting a construction project, these changes could impact you directly.

Here are some of the potential tax credits that could be applicable to your financial situation. As always, our firm is available for questions on any of these topics, and we will be sure to review these at your annual tax planning appointment.

Energy efficient home improvements

The energy efficient home improvements help offset the cost of upgrades like new windows, doors, insulation and efficient heating/cooling systems. Ending for property placed in service after Dec. 31, 2025.

Residential clean energy credit

This credit covers renewable energy investments like solar panels, geothermal heat pumps and small wind turbines. To qualify, installation must be completed by Dec. 31, 2025. Paying for it before that date is not enough; installation needs to be completed by that date.

Clean vehicle credit

The credit incentivizes purchasing new or used electric and other clean energy vehicles. To claim this credit, a binding contract and payment must be in place by Sept. 30, 2025. You will still need to take possession of the vehicle to get the credit, but securing the contract by the deadline secures eligibility.

Alternative fuel refueling property credit

This credit can be applied if you install EV charging stations at home or your business. It is available only for property placed in service before June 30, 2026.

Energy efficient commercial building deduction and new energy efficient home credit

Builders and businesses must begin projects or acquire qualifying homes before mid-2026.

Why does this matter?

These credits can mean thousands of dollars in tax savings and once they expire, they're gone. For example:

- A homeowner replacing windows and adding solar panels in 2025 could save significantly on both the project cost and their tax bill.
- A family purchasing an electric vehicle before Sept. 30, 2025, may still claim the credit even if they take delivery later.
- A business installing EV charging stations or upgrading to energy-efficient lighting could deduct costs that will no longer qualify after 2026.

Things to keep in mind

If you've been considering an energy-efficient project, delaying could cost you real money. Supply chains, construction schedules and dealer availability may tighten as deadlines approach. Acting now ensures you don't miss out on valuable tax savings.