

# OBBBA Insight: Termination of Energy Credits



## ARTICLE 12.18.25 GRETA GUDMUNDSSON

The One Big Beautiful Bill Act (OBBBA) accelerates the termination of several energy credits for individuals and businesses. In response to these changes, the IRS has issued a set of [Frequently Asked Questions \(FAQs\)](#), including the following chart with an overview of the soon-to-expire provisions and new termination dates.

| Internal Revenue Code Section | Title                                           | Termination Date                                                                |
|-------------------------------|-------------------------------------------------|---------------------------------------------------------------------------------|
| 25C                           | Energy Efficient Home Improvement Credit        | Terminated for property placed in service after 12/31/2025                      |
| 25D                           | Residential Clean Energy Credit                 | Terminated for expenditures made after 12/31/2025                               |
| 25E                           | Previously-Owned Clean Vehicle Credit           | Terminated for any vehicle acquired after 9/30/2025                             |
| 30C                           | Alternative Fuel Vehicle Refueling Credit       | Terminated for property placed in service after 6/30/2026                       |
| 30D                           | New Clean Vehicle Credit                        | Terminated for any vehicle acquired after 9/30/2025                             |
| 45L                           | New Energy Efficient Home Credit                | Terminated for any qualified new energy efficient home acquired after 6/30/2026 |
| 45W                           | Qualified Commercial Clean Vehicle Credit       | Terminated for any vehicle acquired after 9/30/2025                             |
| 179D                          | Energy Efficient Commercial Buildings Deduction | Terminated for any qualified new energy-efficient home acquired after 6/30/2026 |

For purposes of the vehicle credits under Code sections 25E, 30D, and 45W, a vehicle is “acquired” as of the date a written, binding contract is entered into, and a payment (including a nominal downpayment or vehicle trade-in) has been made. If a taxpayer acquires a vehicle before September 30, 2025, they will be entitled to claim the credit when they place the vehicle in service (i.e., when they take possession of the vehicle), even if the vehicle is placed in service after September 30, 2025.

The IRS has also clarified that the residential clean energy credit under Code section 25D cannot be claimed for property installed or constructed after December 31, 2025, even if the taxpayer pays for the property before that date.

For more information on the termination of energy credits under the OBBBA, consult the IRS FAQs or contact your Dean Dorton or other professional advisor.