



How the Tax System Can Help More Americans Go Solar

Households and businesses that install solar panels get a tax break from the federal government called the Solar Investment Tax Credit. However, 7 in 10 Americans can't get the tax credit's full value.* The current solar tax credit has disproportionately benefited wealthier, higher-income, and often whiter households, as well as large businesses and big banks. A refundable or direct pay tax credit would make solar affordable for more people.

	Non-refundable Solar Tax Credit	Refundable Solar Tax Credit	Direct Solar Tax Credit
	People and businesses that install solar owe fewer federal taxes. They lose any leftover credit value after seven years.	People and businesses that install solar owe fewer federal taxes. They get paid any leftover credit value at tax time in the first year.	People and businesses that install solar receive a direct payment, paid at the time of installation.
Lowers the cost of solar?			
Paid in full in the first year?			
Paid immediately?			
Benefits people with low/no income taxes?			
Open to schools and nonprofits?			

*According to RMI - rmi.org/congress-cannot-ignore-residential-solar-tax-credit-inequities