

CHAPTER 124

SOLAR AND OTHER RENEWABLE ENERGY TAX CREDITS

H.F. 645

AN ACT modifying and enacting provisions relating to specified renewable energy tax credits, and including effective date and retroactive applicability provisions.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 422.11L, subsection 1, Code 2015, is amended by adding the following new paragraph:

NEW PARAGRAPH. c. Notwithstanding paragraphs “a” and “b” of [this subsection](#), for installations occurring on or after January 1, 2016, the applicable percentages of the federal residential energy efficiency property tax credit related to solar energy and the federal energy credit related to solar energy systems shall be fifty percent.

Sec. 2. Section 422.11L, subsection 4, paragraph a, Code 2015, is amended to read as follows:

a. The cumulative value of tax credits claimed annually by applicants pursuant to [this section](#) shall not exceed ~~four~~ five million ~~five hundred thousand~~ dollars. Of this amount, at least one million dollars shall be reserved for claims associated with or resulting from residential solar energy system installations. In the event that the total amount of claims submitted for residential solar energy system installations in a tax year is an amount less than one million dollars, the remaining unclaimed reserved amount shall be made available for claims associated with or resulting from nonresidential solar energy system installations received for the tax year.

Sec. 3. Section 422.33, subsection 29, paragraph a, Code 2015, is amended to read as follows:

a. The taxes imposed under [this division](#) shall be reduced by a solar energy system tax credit equal to sixty percent of the federal energy credit related to solar energy systems provided in section 48(a)(2)(A)(i)(II) and section 48(a)(2)(A)(i)(III) of the Internal Revenue Code, not to exceed twenty thousand dollars. For installations occurring on or after January 1, 2016, the applicable percentage of the federal energy credit related to solar energy systems shall be fifty percent.

Sec. 4. Section 422.60, subsection 12, paragraph a, Code 2015, is amended to read as follows:

a. The taxes imposed under [this division](#) shall be reduced by a solar energy system tax credit equal to sixty percent of the federal energy credit related to solar energy systems provided in section 48(a)(2)(A)(i)(II) and section 48(a)(2)(A)(i)(III) of the Internal Revenue Code, not to exceed twenty thousand dollars. For installations occurring on or after January 1, 2016, the applicable percentage of the federal energy credit related to solar energy systems shall be fifty percent.

Sec. 5. Section 476C.1, subsection 6, paragraph b, subparagraph (4), Code 2015, is amended to read as follows:

(4) An electric cooperative association organized pursuant to [chapter 499](#) that sells electricity to end users located in this state, a municipally owned city utility as defined in [section 362.2](#), or a public utility subject to rate regulation pursuant to [chapter 476](#).

Sec. 6. Section 476C.3, subsection 4, paragraph b, Code 2015, is amended to read as follows:

b. The maximum amount of energy production capacity equivalent of all other facilities the board may find eligible under [this chapter](#) shall not exceed a combined output of ~~fifty-three~~ sixty-three megawatts of nameplate generating capacity and, annually, one hundred sixty-seven billion British thermal units of heat for a commercial purpose.

(1) Of the maximum amount of energy production capacity equivalent of all other facilities found eligible under [this chapter](#), no more than ten megawatts of nameplate generating capacity or energy production capacity equivalent shall be allocated to any one facility.

(2) Of the maximum amount of energy production capacity equivalent of all other facilities found eligible under [this chapter](#), fifty-five billion British thermal units of heat for a commercial purpose shall be reserved annually for an eligible facility that is a refuse conversion facility for processed, engineered fuel from a multicounty solid waste management planning area. The maximum amount of energy production capacity the board may find eligible for a single refuse conversion facility is, annually, fifty-five billion British thermal units of heat for a commercial purpose.

(3) Of the maximum amount of energy production capacity equivalent of all other facilities found eligible under [this chapter](#), ten megawatts of nameplate generating capacity or energy production equivalent shall be reserved for solar facilities with a generating capacity of one and one-half megawatts or less owned or contracted for by utilities described in [section 476C.1, subsection 6](#), paragraph “b”, subparagraphs (4) and (5).

Sec. 7. Section 476C.5, Code 2015, is amended to read as follows:

476C.5 Certificate issuance period.

A producer or purchaser of renewable energy may shall receive renewable energy tax credit certificates for a ten-year period for each eligible renewable energy facility under [this chapter](#). The ten-year period for issuance of the tax credit certificates begins with the date the purchaser of renewable energy first purchases electricity, hydrogen fuel, methane gas or other biogas used to generate electricity, or heat for commercial purposes from the eligible renewable energy facility for which a tax credit is issued under [this chapter](#), or the date the producer of the renewable energy first uses the energy produced by the eligible renewable energy facility for on-site consumption. Renewable energy tax credit certificates shall not be issued for renewable energy purchased or produced for on-site consumption after December 31, 2026.

Sec. 8. Section 533.329, subsection 2, Code 2015, is amended by adding the following new paragraph:

NEW PARAGRAPH. *l.* The moneys and credits tax imposed under [this section](#) shall be reduced by a solar energy system tax credit allowed under [section 422.11L](#).

Sec. 9. EFFECTIVE UPON ENACTMENT. This Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 10. RETROACTIVE APPLICABILITY.

1. Except as provided in subsection 2, the sections of this Act amending [section 476C.3, subsection 4](#), paragraph “b”, and [section 476C.5](#), apply retroactively to January 1, 2014, for tax years beginning on or after that date.

2. The section¹ of this Act amending [section 476C.1, subsection 6](#), and [section 476C.3, subsection 4](#), paragraph “b”, unnumbered paragraph 1, and enacting [section 476C.3, subsection 4](#), paragraph “b”, subparagraph (3), applies² retroactively to January 1, 2015, for tax years beginning on or after that date.

3. The section of this Act amending [section 422.11L, subsection 4](#), paragraph “a”, applies retroactively to January 1, 2015, for tax years beginning on or after that date.

4. The section of this Act enacting [section 533.329, subsection 2](#), paragraph “l”, applies retroactively to January 1, 2015, for tax years beginning on or after that date.

Approved June 26, 2015

¹ According to enrolled Act; the word “sections” probably intended

² According to enrolled Act; the word “apply” probably intended