

CHAPTER 1121
SOLAR ENERGY SYSTEM TAX CREDIT CHANGES
S.F. 2340

AN ACT modifying provisions applicable to the solar energy system tax credit, 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, paragraphs a and b, Code 2014, are amended to read as follows:

a. ~~Fifty Sixty~~ percent of the federal residential energy efficient property credit related to solar energy provided in section 25D of the Internal Revenue Code, not to exceed ~~three five~~ thousand dollars.

b. ~~Fifty Sixty~~ percent of the federal energy credit related to solar energy systems provided in section 48 of the Internal Revenue Code, not to exceed ~~fifteen twenty~~ thousand dollars.¹

Sec. 2. Section 422.11L, subsection 3, Code 2014, is amended by adding the following new paragraphs:

NEW PARAGRAPH. c. A taxpayer may claim more than one credit under this section, but may claim only one credit per separate and distinct solar installation. The department shall establish criteria, by rule, for determining what constitutes a separate and distinct installation.

NEW PARAGRAPH. d. A taxpayer must submit an application to the department for each separate and distinct solar installation. The application must be approved by the department in order to claim the tax credit. The application must be filed by May 1 following the year of the installation of the solar energy system.

Sec. 3. Section 422.11L, subsection 4, Code 2014, is amended to read as follows:

4. a. The cumulative value of tax credits claimed annually by applicants pursuant to this section shall not exceed ~~one four~~ 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.

b. If an amount of tax credits available for a tax year pursuant to paragraph "a" goes unclaimed, the amount of the unclaimed tax credits shall be made available for the following tax year in addition to, and cumulated with, the amount available pursuant to paragraph "a" for the following tax year.

Sec. 4. EFFECTIVE UPON ENACTMENT. This Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 5. RETROACTIVE APPLICABILITY. This Act applies retroactively to January 1, 2014, for tax years beginning and installations occurring on or after that date.²

Approved May 30, 2014

¹ See chapter 1141, §77, 79, 80 herein

² See chapter 1141, §76, 79, 80 herein