

476C.4 Tax credit certificate procedure.

1. A producer or purchaser of renewable energy may apply to the board for the renewable energy tax credit by submitting to the board all of the following:

- a. A completed application in a form prescribed by the board.
- b. A copy of the determination granting approval of the facility as an eligible renewable energy facility by the board.
- c. A copy of a signed power purchase agreement or other agreement to purchase electricity, hydrogen fuel, methane or other biogas, or heat for a commercial purpose from an eligible renewable energy facility which shall designate either the producer or purchaser of renewable energy as eligible to apply for the renewable energy tax credit.
- d. Sufficient documentation that the electricity, heat for a commercial purpose, methane gas or other biogas, or hydrogen fuel has been generated by the eligible renewable energy facility and sold to the purchaser of renewable energy.
- e. To the extent the produced electricity, hydrogen fuel, methane or other biogas, or heat for a commercial purpose is used for on-site consumption, the requirements of paragraphs “c” and “d” shall not be applicable. For such renewable energy production, the owner must submit a certification under penalty of perjury that the claimed amount of electricity, hydrogen fuel, methane or other biogas, or heat for a commercial purpose was produced by the eligible facility and consumed by the owner.
- f. Any other information the board deems necessary.

2. The board shall notify the department of the amount of kilowatt-hours, British thermal units of heat for a commercial purpose, British thermal units of methane gas or other biogas used to generate electricity, or standard cubic feet of hydrogen fuel generated and purchased from an eligible renewable energy facility or generated and used by the producer for on-site consumption. The department shall calculate the amount of the tax credit for which the applicant is eligible and shall issue the tax credit certificate for that amount or notify the applicant in writing of its refusal to do so. An applicant whose application is denied may file an appeal with the department within sixty days from the date of the denial pursuant to the provisions of [chapter 17A](#).

3. Each tax credit certificate shall contain the person’s name, address, and tax identification number, the amount of tax credits, the first taxable year the certificate may be used, the type of tax to which the tax credits shall be applied, and any other information required by the department. The tax credit certificate shall only list one type of tax to which the amount of the tax credit may be applied. Once issued by the department, the tax credit certificate shall not be terminated or rescinded.

4. A tax credit certificate may be filed pursuant to any of the following, to the extent applicable:

a. If the tax credit application is filed by a partnership, limited liability company, S corporation, estate, trust, or other reporting entity all of the income of which is taxed directly to its equity holders or beneficiaries, for the taxes imposed under [chapter 422, division II or III](#), the tax credit certificate shall be issued directly to equity holders or beneficiaries of the applicant in proportion to their pro rata share of the income of such entity. The applicant shall, in the application made under [this section](#), identify its equity holders or beneficiaries, and the percentage of such entity’s income that is allocable to each equity holder or beneficiary.

b. (1) If the tax credit applicant under [this section](#) is eligible to receive renewable electricity production credits authorized under section 45 of the Internal Revenue Code, as amended, and the tax credit applicant is a partnership, limited liability company, S corporation, estate, trust, or other reporting entity all of the income of which is taxed directly to its equity holders or beneficiaries, for the taxes imposed under [chapter 422, division II or III](#), the tax credit certificate may be issued to a partner if the business is a partnership, a shareholder if the business is an S corporation, or a member if the business is a limited liability company in the amounts designated by the eligible partnership, S corporation, or limited liability company. In absence of such designation, the credits under [this section](#) shall flow through to the partners, shareholders, or members in accordance with their pro rata share of the income of the entity.

(2) The applicant shall, in the application made under [this section](#), identify the equity holders or beneficiaries that are to receive the tax credit certificates and the percentage of the tax credit that is allocable to each equity holder or beneficiary.

c. (1) If an applicant under [this section](#) is eligible to receive renewable electricity production credits authorized under section 45 of the Internal Revenue Code, as amended, and the tax credit applicant is a partnership, limited liability company, S corporation, estate, trust, or other reporting entity all of the income of which is taxed directly to its equity holders or beneficiaries, for the taxes imposed under [chapter 422, division II or III](#), the tax credit certificates and all future rights to the tax credit in [this section](#) may be distributed to an equity holder or beneficiary as a liquidating distribution or portion thereof, of a holder or beneficiary's interest in the applicant entity.

(2) The applicant shall, in the application made under [this section](#), designate the percentage of the tax credit allocable to the liquidating equity holder or beneficiary that is to receive the current and future tax credit certificates under [this section](#).

d. If the tax credit application is filed by a partnership, limited liability company, S corporation, estate, trust, or other reporting entity, all of the income of which is taxed directly to its equity holders or beneficiaries for the taxes imposed under [chapter 422, division V](#), or under [chapter 423, 432, or 437A](#), the tax credit certificate shall be issued directly to the partnership, limited liability company, S corporation, estate, trust, or other reporting entity.

5. The department shall not issue a tax credit certificate if the facility approved by the board as an eligible renewable energy facility is not operational within eighteen months after the approval is issued, subject to the extension provisions of [section 476C.3, subsection 3](#).

6. The department shall not issue a tax credit certificate to any person who has received a tax credit pursuant to [chapter 476B](#).

7. Once a tax credit certificate is issued pursuant to [this section](#), the tax credit may only be claimed against the type of tax reflected on the certificate.

[2005 Acts, ch 160, §10, 14; 2006 Acts, ch 1135, §10, 12; 2011 Acts, ch 25, §143; 2011 Acts, ch 115, §10, 11; 2012 Acts, ch 1021, §92; 2016 Acts, ch 1011, §86](#)

Referred to in [§476C.6](#)