

**422.12N Geothermal heat pump tax credit.**

1. The taxes imposed under [this subchapter](#), less the credits allowed under [section 422.12](#), shall be reduced by a geothermal heat pump tax credit equal to twenty percent of the federal residential energy efficient property tax credit allowed for geothermal heat pumps provided in section 25D(a)(5) of the Internal Revenue Code for residential property located in Iowa.

2. Any credit in excess of the tax liability is not refundable but the excess for the tax year may be credited to the tax liability for the following ten years or until depleted, whichever is earlier.

3. The department shall accept and approve applications on a first-come, first-served basis until the maximum amount of tax credits that may be claimed pursuant to [subsection 4](#) is reached. If for a tax year the aggregate amount of tax credits applied for exceeds the amount specified in [subsection 4](#), the department shall establish a wait list for tax credits. Valid applications filed by the taxpayer by May 1 following the year of the installation but not approved by the department shall be placed on a wait list in the order the applications were received and those applicants shall be given priority for having their applications approved in succeeding years. Placement on a wait list pursuant to [this subsection](#) shall not constitute a promise binding the state. The availability of a tax credit and approval of a tax credit application pursuant to [this section](#) in a future year is contingent upon the availability of tax credits in that particular year.

4. *a.* The cumulative value of tax credits claimed annually by applicants pursuant to [this section](#) shall not exceed one million dollars.

*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.

5. The director of revenue shall adopt rules to implement [this section](#).

[2019 Acts, ch 152, §67 – 69; 2020 Acts, ch 1062, §94](#)

Referred to in [§422.16](#)

Code editor directive applied