

199—15.13(476C) Applications for renewable energy tax credits under Iowa Code chapter 476C. The renewable energy tax credits equal 1.5 cents per kWh of electricity, or 44 cents per 1,000 standard cubic feet of hydrogen fuel, or \$4.50 per 1 million British thermal units (Btu) of methane gas or other biogas used to generate electricity, or \$4.50 per 1 million Btu of heat for a commercial purpose, generated by eligible renewable energy facilities under rule 199—15.12(476C), which is sold or used for on-site consumption by the owners. For renewable energy that is sold, either the owners of an eligible facility or a designated purchaser of renewable energy from the facility may apply for renewable energy tax credits for up to ten tax years following the date the facility is placed in service. For renewable energy used for on-site consumption, the owners of an eligible facility may apply for renewable energy tax credits for up to ten tax years following the date the facility is placed in service. For purposes of this rule, renewable energy used for on-site consumption means any renewable energy produced by the facility and not sold.

For the first tax year for which tax credits can be claimed, the kWh, standard cubic feet, or Btu generated by and purchased from an eligible facility may exceed 12 months' production.

15.13(1) Application process for renewable energy tax credits. A renewable energy facility must be approved as eligible by the commission under rule 199—15.12(476C) in order to qualify for renewable energy tax credits. Tax credit applications must be filed with the commission in the GovConnectIowa system at govconnect.iowa.gov no later than 30 days after the close of the tax year for which the credits are to be applied.

a. Either the facility owners or the purchaser of renewable energy shall be eligible to apply for the tax credits related to renewable energy that is sold, as designated under paragraph 15.12(1)“*h.*” Only facility owners shall be eligible to apply for tax credits related to renewable energy used for on-site consumption. If a facility is jointly owned, then owners applying for the tax credits must file their application jointly. For each application, the following information must be included:

(1) A copy of the original application for facility eligibility under rule 199—15.12(476C), plus any subsequent amendments to the application.

(2) A copy of the commission's determination approving the facility as eligible for tax credits under rule 199—15.12(476C).

(3) A statement attesting that the owners have not received wind energy tax credits for the facility under Iowa Code chapter 476B.

(4) For any renewable energy sold, a copy of the power purchase agreement or other agreement to purchase from the facility electricity, hydrogen fuel, methane or other biogas, or heat for a commercial purpose. The agreement shall designate whether the producer or purchaser of renewable energy will be eligible to apply for the tax credits and shall be consistent with the designation originally filed under paragraph 15.12(1)“*h.*”

(5) For any renewable energy sold, the owners must provide a statement attesting that the electricity, hydrogen fuel, methane or other biogas, or heat for a commercial purpose, for which tax credits are sought, has been generated by the eligible facility and sold to an unrelated purchaser. For purposes of the renewable energy tax credits, persons are related to each other if either person owns an 80 percent or more equity interest in the other person. For any renewable energy used for on-site consumption, the owners must provide a signed statement attesting under penalty of perjury that the claimed amount of electricity, hydrogen fuel, methane or other biogas, or heat for a commercial purpose, for which tax credits are sought, has been generated by the eligible facility and not sold.

(6) The date that the eligible facility was placed in service (that is, between July 1, 2005, and January 1, 2018).

(7) The total number of kWh of electricity, standard cubic feet of hydrogen fuel, Btu of methane gas or other biogas used to generate electricity, or Btu of heat for a commercial purpose generated by the eligible facility during the tax year.

(8) For any renewable energy sold, invoices or other information that documents the number of kWh of electricity, standard cubic feet of hydrogen fuel, Btu of methane gas or other biogas used to generate electricity, or Btu of heat for a commercial purpose generated by the eligible facility and sold to an unrelated purchaser during the tax year. For any renewable energy used for on-site consumption, the number of kWh of electricity, standard cubic feet of hydrogen fuel, Btu of methane gas or other biogas used

to generate electricity, or Btu of heat for a commercial purpose generated by the eligible facility during the tax year and not sold.

(9) Information regarding the facility owners or designated eligible purchaser, including the name, address, and tax identification number of each owner or purchaser. If the application is filed by the facility owners, this shall also include the percentage of equity interest held by each owner during the period for which renewable energy tax credits will be sought under Iowa Code chapter 476C. This information shall be consistent with ownership information provided in the original application for facility eligibility, as amended, under rule 199—15.12(476C).

(10) The type of tax for which the credits will be applied and the first tax year in which the credits will be applied.

(11) Identification of any applicants that are eligible to receive renewable electricity production credits authorized under Section 45 of the Internal Revenue Code, effective August 16, 2022. This identification should include a statement from the applicant attesting to the applicant's eligibility and any available supporting documentation.

(12) If any of the applicants is a partnership, limited liability company, S corporation, estate, trust, or any other reporting entity all of whose income is taxed directly to its equity holders or beneficiaries for taxes imposed under Iowa Code chapter 422, Division II or III, the applicant shall provide the partners, members, shareholders, or beneficiaries of the entity. The applicants shall include the name, address, tax identification number, and pro-rata share of earnings from the entity for each of the partners, members, shareholders, or beneficiaries of the entity. The renewable energy tax credits will flow through to the entity's partners, shareholders, or members in accordance with their pro-rata share of earnings from the entity.

If the entity is also eligible to receive renewable electricity production credits authorized under Section 45 of the Internal Revenue Code, effective August 16, 2022, the entity may designate specific partners if the business is a partnership, shareholders if the business is an S corporation, or members if the business is a limited liability company to receive the renewable energy tax credits issued under Iowa Code chapter 476C and the percentage allocable to each. Such an entity may also designate a percentage of the tax credits allocable to an equity holder or beneficiary as a liquidating distribution or portion thereof of a holder or beneficiary's interest in the applicant entity. Otherwise, in the absence of such designations, the renewable energy tax credits will flow through to the entity's partners, shareholders, or members in accordance with their pro-rata share of earnings from the entity.

Alternatively, the tax credits will be issued directly to the entity if the entity is a partnership, limited liability company, S corporation, estate, trust, or any other reporting entity, all of whose income is taxed directly to its equity holders or beneficiaries for taxes imposed under Iowa Code chapter 422, Division V, or under Iowa Code chapter 423, 432, or 437A.

b. The commission will forward the tax credit applications to the department of revenue for review and processing. Along with each forwarded application, the commission will provide staff analysis and opinion regarding:

- (1) The completeness of the application.
- (2) The facility's eligibility status under rule 199—15.12(476C).
- (3) Whether the reported kWh of electricity, standard cubic feet of hydrogen fuel, Btu of methane gas or other biogas used to generate electricity, or Btu of heat for a commercial purpose generated by the facility and sold or used by the owners for on-site consumption during the tax year seem accurate and eligible for renewable energy tax credits.

15.13(2) *Review process and computation of renewable energy tax credits.* The department of revenue will review the applications and opinions forwarded by the commission, calculate the tax credits, and issue renewable energy tax credit certificates to the facility owners or designated purchaser, in accordance with department of revenue requirements and procedures under the department of revenue's rules for "renewable energy tax credit" in 701—Chapter 304, "renewable energy tax credit" in 701—Chapter 501, and "renewable energy tax credit" in 701—Chapter 601.

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