

Senate File 619

H-1523

1 Amend Senate File 619, as amended, passed, and reprinted by
2 the Senate, as follows:

3 1. Page 64, after line 8 by inserting:

4 <DIVISION ____

5 SOLAR ENERGY SYSTEMS

6 PART A

7 TAX CREDIT

8 Sec. ____ . Section 422.11L, Code 2021, is amended by striking
9 the section and inserting in lieu thereof the following:

10 **422.11L Solar energy system tax credits.**

11 1. As used in this section:

12 a. *"Commercial solar energy system"* means a solar energy
13 system on nonresidential property.

14 b. *"Residential solar energy system"* means a solar energy
15 system on residential property or multiresidential property.

16 c. *"Solar energy system"* means a system of equipment capable
17 of collecting and converting incident solar radiation into
18 thermal, mechanical, or electrical energy and transporting the
19 energy by a separate apparatus to storage or to a point of use.

20 2. Beginning with installations completed on or after
21 January 1, 2021, but before December 31, 2030, the taxes
22 imposed under this subchapter, less the credits allowed under
23 section 422.12, shall be reduced by a solar energy system tax
24 credit equal to fifteen percent of the gross cost of the solar
25 energy system, not to exceed the following amounts:

26 a. For a residential solar energy system, five thousand
27 dollars.

28 b. For a commercial solar energy system, twenty thousand
29 dollars.

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

34 4. a. An individual may claim the tax credit allowed a
35 partnership, limited liability company, S corporation, estate,

1 or trust electing to have the income taxed directly to the
2 individual. The amount claimed by the individual shall be
3 based upon the pro rata share of the individual's earnings of
4 the partnership, limited liability company, S corporation,
5 estate, or trust.

6 *b.* A taxpayer who is eligible to claim a credit under this
7 section shall not be eligible to claim a renewable energy tax
8 credit under chapter 476C.

9 *c.* A taxpayer may claim more than one credit under this
10 section, but may claim only one credit per separate and
11 distinct solar energy system installation. The department
12 shall establish criteria, by rule, for determining what
13 constitutes a separate and distinct installation.

14 *d.* (1) A taxpayer must submit an application to the
15 department for each separate and distinct solar energy
16 system installation. The application must be approved by the
17 department in order to claim the tax credit. The application
18 must be filed by May 1 following the year of the installation
19 of the solar energy system.

20 (2) The department shall accept and approve applications
21 on a first-come, first-served basis until the maximum amount
22 of tax credits that may be claimed pursuant to subsection 5
23 is reached. If for a tax year the aggregate amount of tax
24 credits applied for exceeds the amount specified in subsection
25 5, the department shall establish a wait list for tax credits.
26 Valid applications filed by the taxpayer by May 1 following the
27 year of the installation but not approved by the department
28 shall be placed on a wait list in the order the applications
29 were received and those applicants shall be given priority
30 for having their applications approved in succeeding years.
31 Placement on a wait list pursuant to this subparagraph shall
32 not constitute a promise binding the state. The availability
33 of a tax credit and approval of a tax credit application
34 pursuant to this section in a future year is contingent upon
35 the availability of tax credits in that particular year.

1 5. a. The cumulative value of tax credits claimed annually
2 by applicants pursuant to this section shall not exceed ten
3 million dollars.

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

9 6. On or before January 1, annually, the department shall
10 submit a written report to the governor and the general
11 assembly regarding the number and value of tax credits claimed
12 under this section, and any other information the department
13 may deem relevant and appropriate.

14 7. This section is repealed January 1, 2041.

15 8. The director shall adopt rules pursuant to chapter 17A to
16 administer this section.

17 Sec. _____. Section 422.33, subsection 29, paragraph a, Code
18 2021, is amended to read as follows:

19 a. The Beginning with installations completed on or after
20 January 1, 2021, but before December 31, 2030, the taxes
21 imposed under this subchapter shall be reduced by a solar
22 energy system tax credit equal to sixty percent of the federal
23 energy credit related to solar energy systems provided in
24 section 48(a)(2)(A)(i)(II) and section 48(a)(2)(A)(i)(III)
25 of the Internal Revenue Code, not to exceed twenty thousand
26 dollars. For installations occurring on or after January 1,
27 2016, the applicable percentage of the federal energy credit
28 related to solar energy systems shall be fifty percent allowed
29 under section 422.11L.

30 Sec. _____. Section 422.60, subsection 12, paragraph a, Code
31 2021, is amended to read as follows:

32 a. The Beginning with the installations completed on or
33 after January 1, 2021, but before December 31, 2030, the taxes
34 imposed under this subchapter shall be reduced by a solar
35 energy system tax credit equal to sixty percent of the federal

1 ~~energy credit related to solar energy systems provided in~~
2 ~~section 48(a)(2)(A)(i)(II) and section 48(a)(2)(A)(i)(III)~~
3 ~~of the Internal Revenue Code, not to exceed twenty thousand~~
4 ~~dollars. For installations occurring on or after January 1,~~
5 ~~2016, the applicable percentage of the federal energy credit~~
6 ~~related to solar energy systems shall be fifty percent allowed~~
7 ~~under section 422.11L.~~

8 Sec. _____. Section 533.329, subsection 2, paragraph k, Code
9 2021, is amended to read as follows:

10 k. The Beginning with the installations completed on or
11 after January 1, 2021, but before December 31, 2030, the moneys
12 and credits tax imposed under this section shall be reduced by
13 a solar energy system tax credit allowed under section 422.11L.

14 Sec. _____. CUMULATIVE VALUE OF SOLAR ENERGY SYSTEM TAX CREDIT
15 FOR YEAR 2021 — RESERVED CLAIMS. Notwithstanding section
16 422.11L, subsection 5, as enacted by this division of this Act,
17 the maximum cumulative value of tax credits that may be claimed
18 during the 2021 calendar year shall not exceed seventeen
19 million dollars. Of this amount, at least seven million
20 dollars shall be reserved for claims placed on the wait list
21 pursuant to section 422.11L, subsection 3, Code 2021, prior to
22 January 1, 2021. The reserved claims shall be approved using
23 the same priority of approval established for the wait list.
24 In the event claims from the wait list exceed the reserved
25 amount, an applicant from the wait list shall be given priority
26 to make a claim for amounts not reserved for the year 2021, to
27 the extent such claims have not been claimed. In the event the
28 maximum cumulative amount of tax credits have been claimed for
29 the year 2021, an applicant from the wait list shall be given
30 priority on any wait list based upon the date the application
31 for the credit was received by the department.

32 Sec. _____. EFFECTIVE DATE. This part of this division of
33 this Act, being deemed of immediate importance, takes effect
34 upon enactment.

35 Sec. _____. RETROACTIVE APPLICABILITY. This part of this

1 division of this Act applies retroactively to January 1, 2021,
2 for tax years ending on or after that date.

3

PART B

4 CORRESPONDING CHANGES DUE TO FUTURE REPEAL OF SOLAR ENERGY
5 SYSTEM TAX CREDIT

6 Sec. _____. Section 422.33, subsection 29, Code 2021, is
7 amended by adding the following new paragraph:

8 NEW PARAGRAPH. *c.* This subsection is repealed on January
9 1, 2041.

10 Sec. _____. Section 422.60, subsection 12, Code 2021, is
11 amended by adding the following new paragraph:

12 NEW PARAGRAPH. *c.* This subsection is repealed on January
13 1, 2041.

14 Sec. _____. Section 476C.2, subsection 3, Code 2021, is
15 amended to read as follows:

16 3. a. A taxpayer who is eligible to claim a renewable
17 energy tax credit under [this chapter](#) shall not be eligible to
18 claim a solar energy system tax credit under [section 422.11L](#)
19 or [422.33](#).

20 b. This subsection is repealed on January 1, 2041.

21 Sec. _____. Section 533.329, subsection 2, paragraph k, Code
22 2021, is amended to read as follows:

23 *k.* (1) The moneys and credits tax imposed under this
24 section shall be reduced by a solar energy system tax credit
25 allowed under [section 422.11L](#).

26 (2) This paragraph is repealed on January 1, 2041.>

27 2. By renumbering as necessary.

ISENHART of Dubuque