Senate File 619
H-1523

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

1. Page 64, after line 8 by inserting:

   <DIVISION ___
   SOLAR ENERGY SYSTEMS
   PART A
   TAX CREDIT
   Sec. ___. Section 422.11L, Code 2021, is amended by striking
   the section and inserting in lieu thereof the following:
   422.11L Solar energy system tax credits.

1. As used in this section:

   a. "Commercial solar energy system" means a solar energy
   system on nonresidential property.

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

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

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

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

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

3. 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.

4. a. An individual may claim the tax credit allowed a
partnership, limited liability company, S corporation, estate,
or trust electing to have the income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings of the partnership, limited liability company, S corporation, estate, or trust.

b. A taxpayer who is eligible to claim a credit under this section shall not be eligible to claim a renewable energy tax credit under chapter 476C.
c. A taxpayer may claim more than one credit under this section, but may claim only one credit per separate and distinct solar energy system installation. The department shall establish criteria, by rule, for determining what constitutes a separate and distinct installation.
d. (1) A taxpayer must submit an application to the department for each separate and distinct solar energy system 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.

(2) 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 5 is reached. If for a tax year the aggregate amount of tax credits applied for exceeds the amount specified in subsection 5, 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 subparagraph 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.
5. a. The cumulative value of tax credits claimed annually by applicants pursuant to this section shall not exceed ten 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.

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

7. This section is repealed January 1, 2041.

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

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

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

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

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

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

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

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

Sec. ___. EFFECTIVE DATE. This part of this division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. ___. RETROACTIVE APPLICABILITY. This part of this
1 division of this Act applies retroactively to January 1, 2021, for tax years ending on or after that date.

PART B

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

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

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

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

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

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

3. a. A taxpayer who is eligible to claim a renewable energy tax credit under this chapter shall not be eligible to claim a solar energy system tax credit under section 422.11L or 422.33.

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

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

k. (1) The moneys and credits tax imposed under this section shall be reduced by a solar energy system tax credit allowed under section 422.11L.

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

2. By renumbering as necessary.

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ISENHART of Dubuque