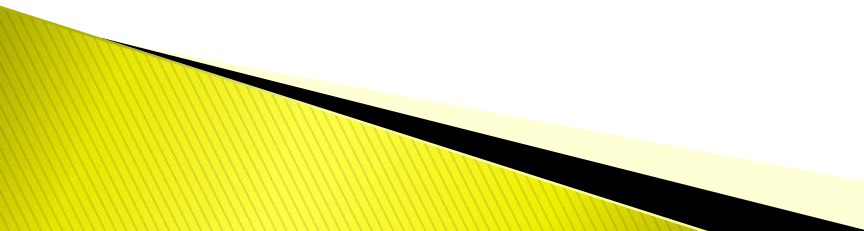


Solar Energy System Tax Credit

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Tax Research and Program Analysis Section
Iowa Department of Revenue

Solar Energy System Tax Credit

- ▶ Available for systems installed at a residence or business located in Iowa
 - ▶ Nonrefundable with 10 year carryforward
 - ▶ Claimed against individual, corporation, franchise, and moneys and credits tax types
 - ▶ Credit first available in the 2012 tax year
 - ▶ Based on federal tax credit scheduled to expire December 31, 2016
- 

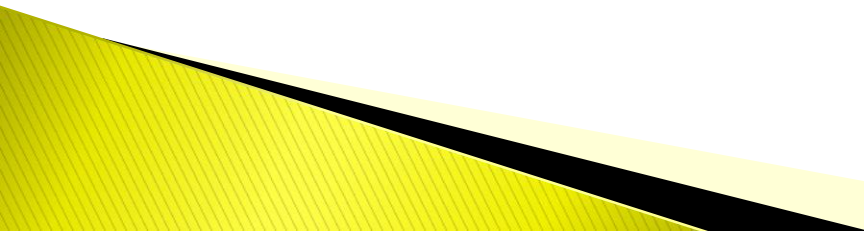
Tax Credit Caps and Rates

- ▶ Originally 50% of federal credit
 - Federal credit is 30% of installation costs – Iowa credit effectively 15%
- ▶ Per installation caps equal to \$3,000 for resident, \$15,000 for business
- ▶ 2014 raised to 60% of federal credit
 - Iowa credit effectively 18%
- ▶ Per installation caps equal to \$5,000 for resident, \$20,000 for business
- ▶ 2016, lowered to 50% of federal credit

Solar Energy System Program

- ▶ Administered by Iowa Department of Revenue
- ▶ Aggregate cap for awards issued in a calendar year
 - \$1.5 million in 2012 and 2013
 - \$4.5 million in 2014
 - \$5 million in 2015 and 2016
- ▶ If cap reached, later applications at top of the list for next year's cap

Solar Application Requirements

- ▶ Must apply before May 1 in the year after installation
 - ▶ Information required with application
 - Invoice showing total installation cost and installation address
 - Utility completion sheet verifying system is installed
 - For businesses, verification of placed in service date
- 

Solar Energy System Tax Credit Awards by Installation Type

Award Year	Residential	Business and Bank	Total
2012	\$292,266	\$359,880	\$652,146
2013	\$356,270	\$1,143,076	\$1,499,346
2014	\$1,002,424	\$3,409,464	\$4,411,888
2015	\$1,105,223	\$2,989,983	\$4,095,206
Total	\$2,756,183	\$7,902,403	\$10,658,586

Source: Iowa Department of Revenue Solar Energy System Tax Credit Award database

Note: 2015 awards as of December 2, 2015

Capped Solar Energy System Tax Credit Awards by Installation Type

- ▶ 25% capped, accounting for 33% of awards

Award Year	Residential			Business and Bank		
	Count of Capped Awards	Percent of Count Capped	Percent of Awards Capped	Count of Capped Awards	Percent of Awards Capped	Percent of Awards Capped
2012	55	34.8%	33.3%	8	17.8%	56.5%
2013	74	44.0%	40.7%	31	27.2%	62.3%
2014	90	28.1%	15.8%	27	8.6%	44.9%
2015	96	30.9%	36.1%	54	21.1%	43.4%
Total	315	32.9%	27.9%	120	16.5%	47.8%

Source: Iowa Department of Revenue Solar Energy System Tax Credit Award database

Note: 2015 awards as of December 2, 2015

Solar Energy System Tax Credit Award Counts and Averages

- ▶ Credits awarded for 1,686 Iowa installations

Award Year	Residential		Business and Bank		Total Count
	Count of Awards	Average Award	Count of Awards	Average Award	
2012	158	\$1,850	45	\$7,997	203
2013	168	\$2,121	114	\$10,027	282
2014	320	\$3,133	314	\$10,858	634
2015	311	\$3,554	256	\$11,680	567
Total	957		729		1,686

Source: Iowa Department of Revenue Solar Energy System Tax Credit Award database

Note: 2015 awards as of December 2, 2015

Solar Energy System Tax Credit Awards by Installation Year

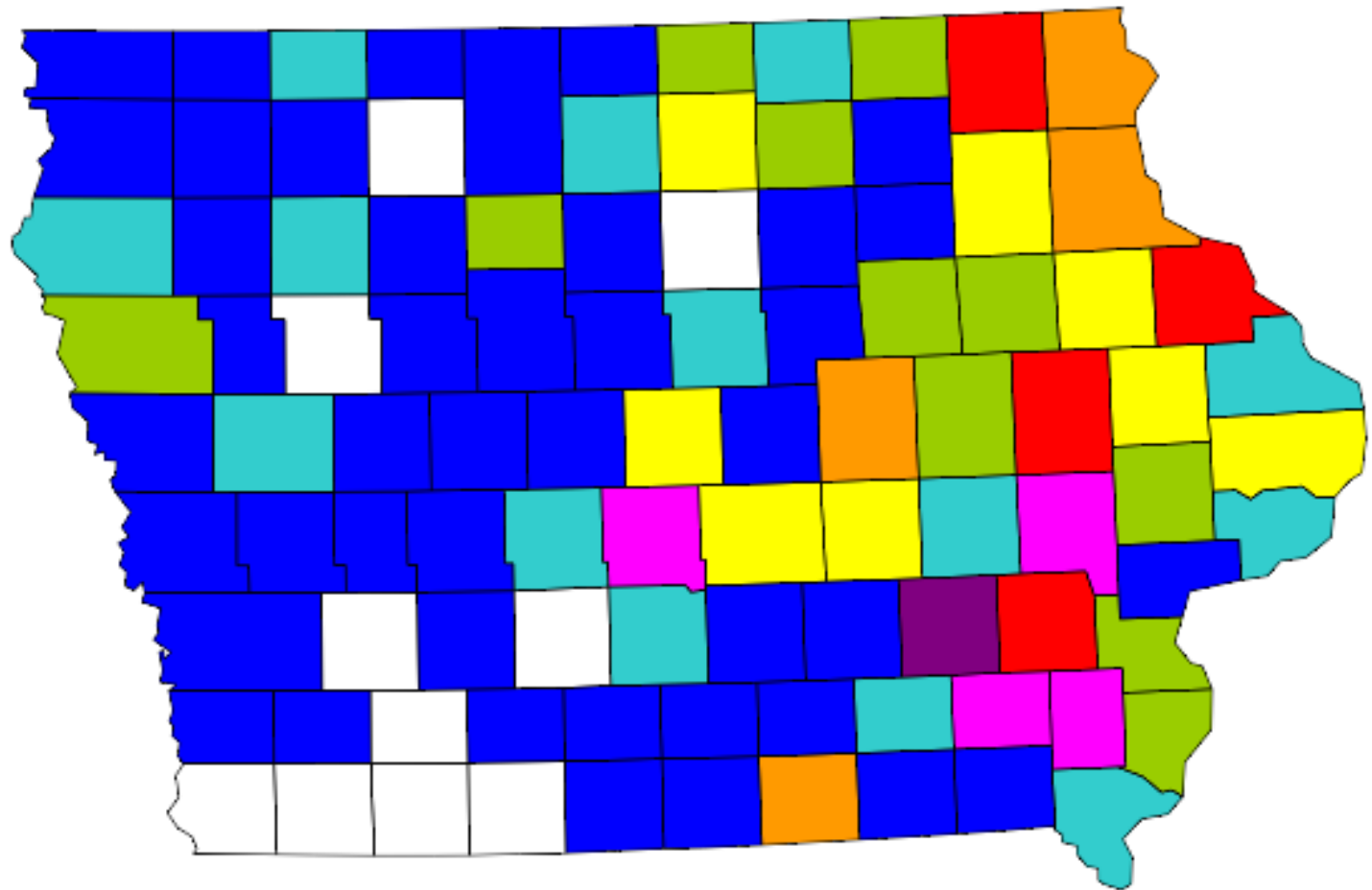
- ▶ 57% of 2015 cap awarded to 2014 installations

Award Year	Current Installation		Installation in Prior Year	
	Count of Awards	Total Awards	Count of Awards	Total Awards
2012	203	\$652,146	0	\$0
2013	282	\$1,499,346	0	\$0
2014	433	\$3,506,104	201	\$905,784
2015	188	\$1,244,939	379	\$2,850,267
Total	1,106	\$6,902,535	580	\$3,756,051

Source: Iowa Department of Revenue Solar Energy System Tax Credit Award database

Note: 2015 awards as of December 2, 2015

All Solar Energy System Tax Credit Awards, Dec 2015



Number of Installations			0	1-5	6-10
			11-20	21-30	31-40
			51-60	81-90	More than 100

Solar Energy System Tax Credit Claims by Tax Type

Tax Year	Individual		Corporation	
	Total	Average	Total	Average
2012	\$417,286	\$1,746	\$45,242	\$5,027
2013	\$943,579	\$2,025	\$142,146	\$4,307
2014	\$2,231,482	\$2,291	\$115,641	\$3,043
Total	\$3,592,347		\$303,029	

	Franchise	
	Total	Average
2014	\$74,702	\$14,940

Source: Iowa Department of Revenue IA 148 Tax Credit Schedules

Note: Tax credit collection and verification are incomplete for tax years 2013 and 2014

Solar Energy System Tax Credit Claim Patterns

- ▶ Early usage suggests full claims likely within 10 year carryforward

Tax Year	Number of Claims	Total Carried Forward from Previous Year	Total Current Year Amount	Total Applied to Tax Liability	Total Carried Forward
2012	248	\$0	\$707,127	\$462,528	\$246,954
2013	502	\$188,886	\$1,681,959	\$1,085,725	\$785,425
2014	1,023	\$571,572	\$3,537,990	\$2,421,825	\$1,703,788
Total	1,773		\$5,927,076	\$3,970,078	

Source: Iowa Department of Revenue IA 148 Tax Credit Schedules

Note: Tax credit collection and verification are incomplete for tax years 2013 and 2014

Application Process Moved Online

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Tax Credit Award
Claim & Transfer
Administration System

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Welcome to CACTAS

CACTAS stands for (Tax) Credit Award, Claim, and Transfer Administration System and refers to the online system supporting the tax credit administration responsibilities of IDR and other State agencies that facilitate tax credit award programs.

HPCED

Historic Preservation and Cultural and Entertainment District Tax Credit Program administered by the State Historic Preservation Office with the Department of Cultural Affairs.

Select to submit an application for Part 1, Part 2, or Part 3. Registration applications for projects of \$750,000 or less can be submitted year round. Registration

SOLAR

Solar Energy System Tax Credit award administered by the Iowa Department of Revenue.

Select to learn more and to submit an application for the tax credit.

[View Details »](#)

Eliminates Data Entry and Makes Review Process More Efficient



Iowa Department of
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Solar Energy System Tax Credit Application - Step 1

* Indicates fields that are required to save the form.

Did the Installation Occur...

On my residential property?

☐ Yes ☐ No

On my business property, which is a different location than my residential property?

☐ Yes ☐ No

On a building located at my residential property address that is used only for business purposes?

☐ Yes ☐ No

Installation Date *



Questions?