

House File 225 - Introduced

HOUSE FILE 225

BY PETTENGILL

A BILL FOR

1 An Act providing a franchise tax credit for the installation of
2 geothermal energy systems in Iowa and including effective
3 date and retroactive applicability provisions.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 422.60, Code 2015, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 14. *a.* The taxes imposed under this
4 division shall be reduced by a geothermal energy system tax
5 credit equal to sixty percent of the federal energy credit in
6 section 48 of the Internal Revenue Code allowed for geothermal
7 energy systems described in section 48(a)(3)(A)(iii) and
8 section 48(a)(3)(A)(vii) of the Internal Revenue Code for
9 property located in Iowa.

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

14 *c.* The director of revenue shall adopt rules to implement
15 this subsection.

16 Sec. 2. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
17 immediate importance, takes effect upon enactment.

18 Sec. 3. RETROACTIVE APPLICABILITY. This Act applies
19 retroactively to January 1, 2015, for tax years beginning on
20 or after that date.

21 EXPLANATION

22 The inclusion of this explanation does not constitute agreement with
23 the explanation's substance by the members of the general assembly.

24 This bill provides a franchise tax credit in an amount equal
25 to 60 percent of the federal energy credit provided in section
26 48 of the Internal Revenue Code for the installation of a
27 geothermal energy system, if the property is located in Iowa.
28 Any credit in excess of the tax liability is nonrefundable, but
29 may be carried forward for up to 10 years.

30 The bill takes effect upon enactment and applies
31 retroactively to tax years beginning on or after January 1,
32 2015.