

House Study Bill 235 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON SANDS)

A BILL FOR

1 An Act modifying provisions applicable to the renewable energy
2 tax credit, and including effective date and retroactive
3 applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 476C.1, subsection 8, Code 2015, is
2 amended to read as follows:

3 8. "*Heat for a commercial purpose*" means the heat in British
4 thermal unit equivalents from refuse-derived fuel, methane, or
5 other biogas produced in this state either for commercial use
6 by a producer for on-site consumption or sold to a purchaser
7 of renewable energy for use for a commercial purpose in this
8 state or for use by an institution in this state. For purposes
9 of this chapter, "*heat for a commercial purpose*" includes heat
10 captured by a biogas recovery facility from the use of methane
11 gas or other biogas to generate electricity if such heat is
12 used as described in this subsection.

13 Sec. 2. Section 476C.2, subsection 1, Code 2015, is amended
14 to read as follows:

15 1. a. A producer or purchaser of renewable energy may
16 receive renewable energy tax credits under this chapter in
17 an amount equal to one and one-half cents per kilowatt-hour
18 of electricity, or four dollars and fifty cents per million
19 British thermal units of heat for a commercial purpose, or
20 four dollars and fifty cents per million British thermal units
21 of methane gas or other biogas used to generate electricity,
22 or one dollar and forty-four cents per one thousand standard
23 cubic feet of hydrogen fuel generated by and purchased from
24 an eligible renewable energy facility or used for on-site
25 consumption by the producer.

26 b. A producer or purchaser of renewable energy may cumulate
27 renewable energy tax credit amounts as provided in paragraph
28 "a" for renewable energy produced by an eligible facility and
29 for renewable energy captured as a byproduct of such renewable
30 energy production.

31 Sec. 3. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
32 immediate importance, takes effect upon enactment.

33 Sec. 4. RETROACTIVE APPLICABILITY. This Act applies
34 retroactively to January 1, 2015, for tax years beginning on
35 or after that date.

1

EXPLANATION

2

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

3

4 This bill modifies provisions applicable to the renewable
5 energy tax credit established in Code chapter 476C.

6 Currently, the Code chapter defines "heat for a commercial
7 purpose" to mean the heat in British thermal unit equivalents
8 from refuse-derived fuel, methane, or other biogas produced in
9 this state either for commercial use by a producer for on-site
10 consumption or sold to a purchaser of renewable energy for use
11 for a commercial purpose in Iowa or for use by an institution
12 in Iowa. The bill provides that this definition also includes
13 heat captured by a biogas recovery facility from the use of
14 methane gas or other biogas to generate electricity.

15 Additionally, currently the Code chapter specifies the
16 dollar value of renewable energy tax credits which may be
17 claimed per kilowatt-hour of electricity, or per million
18 British thermal units of heat for a commercial purpose, or per
19 million British thermal units of methane gas or other biogas
20 used to generate electricity, or per one thousand standard
21 cubic feet of hydrogen fuel. The bill provides that a producer
22 or purchaser of renewable energy may cumulate renewable energy
23 tax credit amounts for renewable energy produced by an eligible
24 facility and renewable energy that is captured as a byproduct
25 of such renewable energy production.

26 The bill takes effect upon enactment and applies
27 retroactively to January 1, 2015, for tax years beginning on
28 or after that date.