



Date: January 18, 2018

To: Iowa Policymakers

From: Tyler Olson, President, SiteGen Solar
Member, Iowa Solar Energy Trade Association Board of Directors

Re: **State of Iowa Solar Energy System Tax Credit**

The Iowa Solar Energy System Tax Credit has been a huge success since it began in 2012. It has already led to over \$160 million in capital investment through 2017 and hundreds of new jobs. Iowa's solar tax credit is also set up responsibly to limit its impact on the state budget. There is an annual cap of \$5 million and the state tax credit is linked to the federal tax credit which means it will begin a two year phase-out after 2019.

The 2017 \$5 million annual cap is set to topped by \$7 million in qualifying projects, meaning \$2 million will roll over to 2018. The solar energy system tax credit's economic success, responsible budget impact, and popularity would justify increasing the annual cap to \$7.5 million.

Solar Tax Credit's Broad Economic Impact

- Nearly 600 Iowa jobs are supported by the credit.¹
- Iowa solar job growth topped 60% in 2016.²
- \$166,369,422 in Iowa capital investment from \$21.6 million in tax credits (2012-2017).³
- 3,395 solar projects installed since 2012 spread across all 99 counties.⁴

Solar Tax Credit's Responsible Budget Impact

- Current annual cap of \$5 million.
- Non-refundable.
- Two year phase out already in place and set to begin after 2019.

¹ Iowa Department of Revenue Solar Energy System Tax Credit Annual Report for 2017 <https://tax.iowa.gov/sites/files/idr/Solar%20Energy%20System%20Tax%20Credit%20Annual%20Report%202017.pdf>.

² <https://www.cbsnews.com/news/where-clean-energy-jobs-are-growing-the-fastest/>.

³ Iowa Department of Revenue Solar Energy System Tax Credit Annual Report for 2017 <https://tax.iowa.gov/sites/files/idr/Solar%20Energy%20System%20Tax%20Credit%20Annual%20Report%202017.pdf>.

⁴ Iowa Department of Revenue Solar Energy System Tax Credit Annual Report for 2017 <https://tax.iowa.gov/sites/files/idr/Solar%20Energy%20System%20Tax%20Credit%20Annual%20Report%202017.pdf>.