

Effective 5/12/2015

63N-2-703 Tax credits.

- (1)
 - (a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the office, with advice from the board, shall make rules establishing standards an alternative energy entity shall meet to qualify for a tax credit.
 - (b) Before the office enters into an agreement described in Subsection (2) with an alternative energy entity, the office shall certify:
 - (i) that the alternative energy manufacturing project will generate new state revenues;
 - (ii) the economic life of the alternative energy manufacturing project produced by the alternative energy entity;
 - (iii) that local incentives have been committed or will be committed to be provided to the alternative energy manufacturing project;
 - (iv) that the alternative energy entity meets the requirements of Section 63N-2-704; and
 - (v) that the alternative energy entity has received a Certificate of Good Standing from the Division of Corporations and Commercial Code.
- (2) If an alternative energy entity meets the requirements of this part to receive a tax credit, the office may enter into an agreement with the alternative energy entity to authorize the tax credit in accordance with Subsection (3).
- (3)
 - (a) Subject to Subsections (3)(b) through (d), the office may authorize or commit a tax credit under this part that may not exceed 100% of new state revenues generated by the alternative energy manufacturing project.
 - (b) As determined by the office, the office may authorize or commit a tax credit under this section for a time period that does not exceed the lesser of:
 - (i) the economic life of the alternative energy manufacturing project; or
 - (ii) 20 years.
 - (c) The office shall consider economic modeling, including the costs and benefits of an alternative energy manufacturing project to the state and local governments, in determining:
 - (i) the amount of tax credit to authorize or commit in accordance with Subsection (3)(a); and
 - (ii) the time period for which the office will authorize or commit a tax credit in accordance with Subsection (3)(b).
 - (d) For a taxable year, a tax credit under this section may not exceed the new state revenues generated by an alternative energy manufacturing project during that taxable year.
- (4) An alternative energy entity that seeks to receive a tax credit or has entered into an agreement described in Subsection (2) with the office shall:
 - (a) annually file a report with the office showing the new state revenues generated by the alternative energy manufacturing project during the taxable year for which the alternative energy entity seeks to receive a tax credit under Section 59-7-614.8 or 59-10-1030;
 - (b) submit to an audit for verification of a tax credit under Section 59-7-614.8 or 59-10-1030;
 - (c) provide the office with information required by the office to certify the economic life of the alternative energy manufacturing project produced by the alternative energy entity, which may include a power purchase agreement, a lease, or a permit; and
 - (d) retain records supporting a claim for a tax credit for at least four years after the alternative energy entity claims a tax credit under Section 59-7-614.8 or 59-10-1030.
- (5) The office shall annually certify the new state revenues generated by an alternative energy manufacturing project for a taxable year for which an alternative energy entity seeks to receive a tax credit under Section 59-7-614.8 or 59-10-1030.

Renumbered and Amended by Chapter 283, 2015 General Session