

SB0192S05 compared with SB0192S03

{Omitted text} shows text that was in SB0192S03 but was omitted in SB0192S05

inserted text shows text that was not in SB0192S03 but was inserted into SB0192S05

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Commercial Wind and Solar Incentives Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Derrin R. Owens

House Sponsor:

LONG TITLE

General Description:

This bill modifies tax credit requirements for certain commercial wind and solar energy systems.

Highlighted Provisions:

This bill:

- defines terms;
- requires commercial wind and solar energy systems of 660 or more kilowatts to include energy storage systems to qualify for tax credits; and
- makes technical changes.

Money Appropriated in this Bill:

None

This bill provides a special effective date.

AMENDS:

59-7-614 , as last amended by Laws of Utah 2024, Chapter 53 , as last amended by Laws of Utah 2024, Chapter 53

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20 **59-10-1106** , as last amended by Laws of Utah 2024, Chapter 53 , as last amended by Laws of Utah
21 2024, Chapter 53

21

22 *Be it enacted by the Legislature of the state of Utah:*

23 Section 1. Section **59-7-614** is amended to read:

24 **59-7-614. Clean energy systems tax credits -- Definitions -- Certification -- Rulemaking**
25 **authority.**

26 (1) As used in this section:

27 (a)

28 (i) "Active solar system" means a system of equipment that is capable of:

(A) collecting and converting incident solar radiation into thermal, mechanical, or electrical energy;
and

(B) transferring a form of energy described in Subsection (1)(a)(i)(A) by a separate apparatus to
storage or to the point of use.

(ii) "Active solar system" includes water heating, space heating or cooling, and electrical or mechanical
energy generation.

(b) "Adequate energy storage" means an energy storage system that:

(i) is capable of storing electrical energy produced by a commercial energy system;

(ii) can provide at least six hours of the commercial energy system's expected peak daily generation;
and

(iii) enables the commercial energy system to meet the requirements of being dispatchable and reliable.

~~[(b)]~~ (c) "Biomass system" means a system of apparatus and equipment for use in:

(i) converting material into biomass energy, as defined in Section 59-12-102; and

(ii) transporting the biomass energy by separate apparatus to the point of use or storage.

~~[(e)]~~ (d) "Clean energy source" means the same as that term is defined in Section 54-17-601.

~~[(d)]~~ (e) "Commercial energy system" means a system that is:

(i)

(A) an active solar system;

(B) a biomass system;

(C) a direct use geothermal system;

(D) a geothermal electricity system;

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- 51 (E) a geothermal heat pump system;
- 52 (F) a hydroenergy system;
- 53 (G) a passive solar system; or
- 54 (H) a wind system;
- 55 (ii) located in the state; and
- 56 (iii) used:
- 57 (A) to supply energy to a commercial unit; or
- 58 (B) as a commercial enterprise.
- 59 ~~(e)~~ (f) "Commercial enterprise" means an entity, the purpose of which is to produce:
- 60 (i) electrical, mechanical, or thermal energy for sale from a commercial energy system; or
- 62 (ii) hydrogen for sale from a hydrogen production system.
- 63 ~~(f)~~ (g)
- . (i) "Commercial unit" means a building or structure that an entity uses to transact business.
- 65 (ii) Notwithstanding Subsection ~~(f)(i)~~ (1)(g)(i):
- 66 (A) with respect to an active solar system used for agricultural water pumping or a wind system, each individual energy generating device is considered to be a commercial unit; or
- 69 (B) if an energy system is the building or structure that an entity uses to transact business, a commercial unit is the complete energy system itself.
- 71 ~~(g)~~ (h) "Direct use geothermal system" means a system of apparatus and equipment that enables the direct use of geothermal energy to meet energy needs, including heating a building, an industrial process, and aquaculture.
- 74 (i) "Dispatchable" means the same as that term is defined in Section 79-6-102.
- 75 ~~(h)~~ (j) "Geothermal electricity" means energy that is:
- 76 (i) contained in heat that continuously flows outward from the earth; and
- 77 (ii) used as a sole source of energy to produce electricity.
- 78 ~~(i)~~ (k) "Geothermal energy" means energy generated by heat that is contained in the earth.
- 80 ~~(j)~~ (l) "Geothermal heat pump system" means a system of apparatus and equipment that:
- 81 (i) enables the use of thermal properties contained in the earth at temperatures well below 100 degrees Fahrenheit; and
- 83 (ii) helps meet heating and cooling needs of a structure.
- 84 ~~(k)~~ (m) "Hydroenergy system" means a system of apparatus and equipment that is capable of:

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- 86 (i) intercepting and converting kinetic water energy into electrical or mechanical energy; and
88 (ii) transferring this form of energy by separate apparatus to the point of use or storage.
- 90 [(H)] (n) "Hydrogen production system" means a system of apparatus and equipment, located in this state, that uses:
- 92 (i) electricity from a clean energy source to create hydrogen gas from water, regardless of whether the clean energy source is at a separate facility or the same facility as the system of apparatus and equipment; or
95 (ii) uses renewable natural gas to produce hydrogen gas.
- 96 (o) "Interconnection queue" means the list of requests from power generation projects maintained by a transmission provider that are waiting to connect to the electrical grid.
- 96 [(m)] [(o)] (p) "Office" means the Office of Energy Development created in Section 79-6-401.
- 97 [(n)] [(p)] (q)
- . (i) "Passive solar system" means a direct thermal system that utilizes the structure of a building and the structure's operable components to provide for collection, storage, and distribution of heating or cooling during the appropriate times of the year by utilizing the climate resources available at the site.
- 101 (ii) "Passive solar system" includes those portions and components of a building that are expressly designed and required for the collection, storage, and distribution of solar energy.
- 104 [(q)] (r) "Peak daily generation" means the total electricity generation during the highest generation month of a calendar year, divided by the number of days in that month.
- 106 [(o)] [(t)] (s) "Photovoltaic system" means an active solar system that generates electricity from sunlight.
- 108 [(p)] [(s)] (t)
- . (i) "Principal recovery portion" means the portion of a lease payment that constitutes the cost a person incurs in acquiring a commercial energy system.
- 110 (ii) "Principal recovery portion" does not include:
111 (A) an interest charge; or
112 (B) a maintenance expense.
- 113 [(t)] (u) "Reliable" means the same as that term is defined in Section 79-6-102.
- 114 [(q)] [(t)] (v) "Residential energy system" means the following used to supply energy to or for a residential unit:

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- 116 (i) an active solar system;
- 117 (ii) a biomass system;
- 118 (iii) a direct use geothermal system;
- 119 (iv) a geothermal heat pump system;
- 120 (v) a hydroenergy system;
- 121 (vi) a passive solar system; or
- 122 (vii) a wind system.

123 [~~†~~] ~~{(v)}~~ (w)

. (i) "Residential unit" means a house, condominium, apartment, or similar dwelling unit that:

- 125 (A) is located in the state; and
- 126 (B) serves as a dwelling for a person, group of persons, or a family.

127 (ii) "Residential unit" does not include property subject to a fee under:

- 128 (A) Section 59-2-405;
- 129 (B) Section 59-2-405.1;
- 130 (C) Section 59-2-405.2;
- 131 (D) Section 59-2-405.3; or
- 132 (E) Section 72-10-110.5.

133 [~~s~~] ~~{(w)}~~ (x) "Wind system" means a system of apparatus and equipment that is capable of:

- 134 (i) intercepting and converting wind energy into mechanical or electrical energy; and
- 135 (ii) transferring these forms of energy by a separate apparatus to the point of use, sale, or storage.

137 (2) A taxpayer may claim an energy system tax credit as provided in this section against a tax due under this chapter for a taxable year.

139 (3)

. (a) Subject to the other provisions of this Subsection (3), a taxpayer may claim a nonrefundable tax credit under this Subsection (3) with respect to a residential unit the taxpayer owns or uses if:

- 142 (i) the taxpayer:
 - 143 (A) purchases and completes a residential energy system to supply all or part of the energy required for the residential unit; or
 - 145 (B) participates in the financing of a residential energy system to supply all or part of the energy required for the residential unit; and
- 147 (ii) the taxpayer obtains a written certification from the office in accordance with Subsection (8).

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- 149 (b)
- . (i) Subject to Subsections (3)(b)(ii) through (iv) and, as applicable, Subsection (3)(c) or (d), the tax credit is equal to 25% of the reasonable costs of each residential energy system installed with respect to each residential unit the taxpayer owns or uses.
- 153 (ii) A tax credit under this Subsection (3) may include installation costs.
- 154 (iii) A taxpayer may claim a tax credit under this Subsection (3) for the taxable year in which the residential energy system is completed and placed in service.
- 156 (iv) If the amount of a tax credit under this Subsection (3) exceeds a taxpayer's tax liability under this chapter for a taxable year, the taxpayer may carry forward the amount of the tax credit exceeding the liability for a period that does not exceed the next four taxable years.
- 160 (c) The total amount of tax credit a taxpayer may claim under this Subsection (3) for a residential energy system, other than a photovoltaic system, may not exceed \$2,000 per residential unit.
- 163 (d) The total amount of tax credit a taxpayer may claim under this Subsection (3) for a photovoltaic system may not exceed:
- 165 (i) for a system installed on or after January 1, 2018, but on or before December 31, 2020, \$1,600;
- 167 (ii) for a system installed on or after January 1, 2021, but on or before December 31, 2021, \$1,200;
- 169 (iii) for a system installed on or after January 1, 2022, but on or before December 31, 2022, \$800;
- 171 (iv) for a system installed on or after January 1, 2023, but on or before December 31, 2023, \$400; and
- 173 (v) for a system installed on or after January 1, 2024, \$0.
- 174 (e) If a taxpayer sells a residential unit to another person before the taxpayer claims the tax credit under this Subsection (3):
- 176 (i) the taxpayer may assign the tax credit to the other person; and
- 177 (ii)
- . (A) if the other person files a return under this chapter, the other person may claim the tax credit under this section as if the other person had met the requirements of this section to claim the tax credit; or
- 180 (B) if the other person files a return under Chapter 10, Individual Income Tax Act, the other person may claim the tax credit under Section 59-10-1014 as if the other person had met the requirements of Section 59-10-1014 to claim the tax credit.
- 184 (4)
- . (a) Subject to the other provisions of this Subsection (4), a taxpayer may claim a refundable tax credit under this Subsection (4) with respect to a commercial energy system if:

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- 187 (i) the commercial energy system does not use:
- 188 (A) wind, geothermal electricity, solar, or biomass equipment capable of producing a total of 660 or
more kilowatts of electricity; or
- 190 (B) solar equipment capable of producing 2,000 or more kilowatts of electricity;
- 191 (ii) the taxpayer purchases or participates in the financing of the commercial energy system;
- 193 (iii)
- . (A) the commercial energy system supplies all or part of the energy required by commercial units
owned or used by the taxpayer; or
- 195 (B) the taxpayer sells all or part of the energy produced by the commercial energy system as a
commercial enterprise;
- 197 (iv) the taxpayer has not claimed and will not claim a tax credit under Subsection (7) for hydrogen
production using electricity for which the taxpayer claims a tax credit under this Subsection (4);
and
- 200 (v) the taxpayer obtains a written certification from the office in accordance with Subsection (8).
- 202 (b)
- . (i) Subject to Subsections (4)(b)(ii) through (iv), the tax credit is equal to 10% of the reasonable costs of
the commercial energy system.
- 204 (ii) A tax credit under this Subsection (4) may include installation costs.
- 205 (iii) A taxpayer is eligible to claim a tax credit under this Subsection (4) for the taxable year in which
the commercial energy system is completed and placed in service.
- 208 (iv) The total amount of tax credit a taxpayer may claim under this Subsection (4) may not exceed
\$50,000 per commercial unit.
- 210 (c)
- . (i) Subject to Subsections (4)(c)(ii) and (iii), a taxpayer that is a lessee of a commercial energy system
installed on a commercial unit may claim a tax credit under this Subsection (4) if the taxpayer
confirms that the lessor irrevocably elects not to claim the tax credit.
- 214 (ii) A taxpayer described in Subsection (4)(c)(i) may claim as a tax credit under this Subsection (4) only
the principal recovery portion of the lease payments.
- 216 (iii) A taxpayer described in Subsection (4)(c)(i) may claim a tax credit under this Subsection (4) for a
period that does not exceed seven taxable years after the day on which the lease begins, as stated in
the lease agreement.

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219 (5)

. (a) Subject to the other provisions of this Subsection (5), a taxpayer may claim a refundable tax credit under this Subsection (5) with respect to a commercial energy system if:

222 (i) the commercial energy system uses wind, geothermal electricity, or biomass equipment capable of producing a total of 660 or more kilowatts of electricity;

224 (ii)

. (A) the commercial energy system supplies all or part of the energy required by commercial units owned or used by the taxpayer; or

226 (B) the taxpayer sells all or part of the energy produced by the commercial energy system as a commercial enterprise;

228 (iii) for a commercial energy system using wind, the system includes adequate energy storage;

230 [~~(iii)~~] (iv) the taxpayer has not claimed and will not claim a tax credit under Subsection (7) for hydrogen production using electricity for which the taxpayer claims a tax credit under this Subsection (5); and

233 [~~(iv)~~] (v) the taxpayer obtains a written certification from the office in accordance with Subsection (8).

235 (b)

. (i) Subject to Subsection (5)(b)(ii), a tax credit under this Subsection (5) is equal to the product of:

237 (A) 0.35 cents; and

238 (B) the kilowatt hours of electricity produced and used or sold during the taxable year.

240 (ii) A taxpayer is eligible to claim a tax credit under this Subsection (5) for production occurring during a period of 48 months beginning with the month in which the commercial energy system is placed in commercial service.

243 (c) For purposes of calculating the tax credit under this Subsection (5), electricity that is stored and later sold may only be counted at the time the electricity is sold from storage.

246 [~~(e)~~] (d) A taxpayer that is a lessee of a commercial energy system installed on a commercial unit may claim a tax credit under this Subsection (5) if the taxpayer confirms that the lessor irrevocably elects not to claim the tax credit.

252 (e) Notwithstanding Subsection (5)(a)(iii), a commercial energy system is exempt from the energy storage requirement if the system had a position in an interconnection queue or a signed agreement with a transmission provider before January 1, 2025.

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249 (6)

. (a) Subject to the other provisions of this Subsection (6), a taxpayer may claim a refundable tax credit as provided in this Subsection (6) if:

251 (i) the taxpayer owns a commercial energy system that:

252 (A) uses solar equipment capable of producing a total of 660 or more kilowatts of electricity; and

254 (B) includes adequate energy storage;

255 (ii)

. (A) the commercial energy system supplies all or part of the energy required by commercial units owned or used by the taxpayer; or

257 (B) the taxpayer sells all or part of the energy produced by the commercial energy system as a commercial enterprise;

259 (iii) the taxpayer does not claim a tax credit under Subsection (4) and has not claimed and will not claim a tax credit under Subsection (7) for hydrogen production using electricity for which a taxpayer claims a tax credit under this Subsection (6); and

262 (iv) the taxpayer obtains a written certification from the office in accordance with Subsection (8).

264 (b)

. (i) Subject to Subsection (6)(b)(ii), a tax credit under this Subsection (6) is equal to the product of:

266 (A) 0.35 cents; and

267 (B) the kilowatt hours of electricity produced and used or sold during the taxable year.

269 (ii) A taxpayer is eligible to claim a tax credit under this Subsection (6) for production occurring during a period of 48 months beginning with the month in which the commercial energy system is placed in commercial service.

272 (c) For purposes of calculating the tax credit under this Subsection (6), electricity that is stored and later sold may only be counted at the time the electricity is sold from storage.

275 [(e)] (d) A taxpayer that is a lessee of a commercial energy system installed on a commercial unit may claim a tax credit under this Subsection (6) if the taxpayer confirms that the lessor irrevocably elects not to claim the tax credit.

284 (e) Notwithstanding Subsection (6)(a)(i)(B), a commercial energy system is exempt from the energy storage requirement if the system had a position in an interconnection queue or a signed agreement with a transmission provider before January 1, 2025.

278 (7)

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- . (a) A taxpayer may claim a refundable tax credit as provided in this Subsection (7) if:
- 279 (i) the taxpayer owns a hydrogen production system;
- 280 (ii) the hydrogen production system is completed and placed in service on or after January 1, 2022;
- 282 (iii) the taxpayer sells as a commercial enterprise, or supplies for the taxpayer's own use in
commercial units, the hydrogen produced from the hydrogen production system;
- 285 (iv) the taxpayer has not claimed and will not claim a tax credit under Subsection (4), (5), or (6) or
Section 59-7-626 for electricity or hydrogen used to meet the requirements of this Subsection
(7); and
- 288 (v) the taxpayer obtains a written certification from the office in accordance with Subsection (8).
- 290 (b)
- . (i) Subject to Subsections (7)(b)(ii) and (iii), a tax credit under this Subsection (7) is equal to the
product of:
- 292 (A) \$0.12; and
- 293 (B) the number of kilograms of hydrogen produced during the taxable year.
- 294 (ii) A taxpayer may not receive a tax credit under this Subsection (7) for more than 5,600 metric tons of
hydrogen per taxable year.
- 296 (iii) A taxpayer is eligible to claim a tax credit under this Subsection (7) for production occurring during
a period of 48 months beginning with the month in which the hydrogen production system is placed
in commercial service.
- 299 (8)
- . (a) Before a taxpayer may claim a tax credit under this section, the taxpayer shall obtain a written
certification from the office.
- 301 (b) The office shall issue a taxpayer a written certification if the office determines that:
- 302 (i) the taxpayer meets the requirements of this section to receive a tax credit; and
- 303 (ii) the residential energy system, the commercial energy system, or the hydrogen production system
with respect to which the taxpayer seeks to claim a tax credit:
- 305 (A) has been completely installed;
- 306 (B) is a viable system for saving or producing energy from clean resources; and
- 307 (C) is safe, reliable, efficient, and technically feasible to ensure that the residential energy system,
the commercial energy system, or the hydrogen production system uses the state's clean and
nonrenewable energy resources in an appropriate and economic manner.

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- 311 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the office may make
rules:
- 313 (i) for determining whether a residential energy system, a commercial energy system, or a hydrogen
production system meets the requirements of Subsection (8)(b)(ii); and
- 316 (ii) for purposes of a tax credit under Subsection (3) or (4), establishing the reasonable costs of
a residential energy system or a commercial energy system, as an amount per unit of energy
production.
- 319 (d) A taxpayer that obtains a written certification from the office shall retain the certification for the
same time period a person is required to keep books and records under Section 59-1-1406.
- 322 (e) The office shall submit to the commission an electronic list that includes:
- 323 (i) the name and identifying information of each taxpayer to which the office issues a written
certification; and
- 325 (ii) for each taxpayer:
- 326 (A) the amount of the tax credit listed on the written certification; and
- 327 (B) the date the clean energy system was installed.
- 328 (9) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission
may make rules to address the certification of a tax credit under this section.
- 330 (10) A tax credit under this section is in addition to any tax credits provided under the laws or rules and
regulations of the United States.
- 332 (11) A taxpayer may not claim or carry forward a tax credit described in this section in a taxable year
during which the taxpayer claims or carries forward a tax credit under Section 59-7-614.7.
- 345 Section 2. Section **59-10-1106** is amended to read:
- 346 **59-10-1106. Refundable clean energy systems tax credits -- Definitions -- Certification --
Rulemaking authority.**
- 338 (1) As used in this section:
- 339 (a) "Active solar system" means the same as that term is defined in Section 59-10-1014.
- 340 (b) "Adequate energy storage" means the same as that term is defined in Section 59-7-614.
- 342 [~~(b)~~] (c) "Biomass system" means the same as that term is defined in Section 59-10-1014.
- 343 [~~(e)~~] (d) "Commercial energy system" means the same as that term is defined in Section 59-7-614.
- 345 [~~(d)~~] (e) "Commercial enterprise" means the same as that term is defined in Section 59-7-614.
- 347 [~~(e)~~] (f) "Commercial unit" means the same as that term is defined in Section 59-7-614.

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- 348 ~~[(f)]~~ (g) "Direct use geothermal system" means the same as that term is defined in Section 59-10-1014.
- 350 (h) "Dispatchable" means the same as that term is defined in Section 79-6-102.
- 351 ~~[(g)]~~ (i) "Geothermal electricity" means the same as that term is defined in Section 59-10-1014.
- 353 ~~[(h)]~~ (j) "Geothermal energy" means the same as that term is defined in Section 59-10-1014.
- 355 ~~[(i)]~~ (k) "Geothermal heat pump system" means the same as that term is defined in Section 59-10-1014.
- 357 ~~[(j)]~~ (l) "Hydroenergy system" means the same as that term is defined in Section 59-10-1014.
- 359 ~~[(k)]~~ (m) "Hydrogen production system" means the same as that term is defined in Section 59-7-614.
- 371 (n) "Interconnection queue" means the same as that term is defined in Section 59-7-614.
- 361 ~~[(h)]~~ ~~[(n)]~~ (o) "Office" means the Office of Energy Development created in Section 79-6-401.
- 362 ~~[(m)]~~ ~~[(o)]~~ (p) "Passive solar system" means the same as that term is defined in Section 59-10-1014.
- 364 ~~[(p)]~~ (q) "Peak daily generation" means the same as that term is defined in Section 59-7-614.
- 365 ~~[(n)]~~ ~~[(q)]~~ (r) "Principal recovery portion" means the same as that term is defined in Section
59-10-1014.
- 367 ~~[(t)]~~ (s) "Reliable" means the same as that term is defined in Section 79-6-102.
- 368 ~~[(o)]~~ ~~[(s)]~~ (t) "Wind system" means the same as that term is defined in Section 59-10-1014.
- 369 (2) A claimant, estate, or trust may claim an energy system tax credit as provided in this section against
a tax due under this chapter for a taxable year.
- 371 (3)
- . (a) Subject to the other provisions of this Subsection (3), a claimant, estate, or trust may claim a
refundable tax credit under this Subsection (3) with respect to a commercial energy system if:
- 374 (i) the commercial energy system does not use:
- 375 (A) wind, geothermal electricity, solar, or biomass equipment capable of producing a total of 660 or
more kilowatts of electricity; or
- 377 (B) solar equipment capable of producing 2,000 or more kilowatts of electricity;
- 378 (ii) the claimant, estate, or trust purchases or participates in the financing of the commercial energy
system;
- 380 (iii)
- . (A) the commercial energy system supplies all or part of the energy required by commercial units
owned or used by the claimant, estate, or trust; or
- 382 (B) the claimant, estate, or trust sells all or part of the energy produced by the commercial energy
system as a commercial enterprise;

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- 384 (iv) the claimant, estate, or trust has not claimed and will not claim a tax credit under Subsection
387 (6) for hydrogen production using electricity for which the claimant, estate, or trust claims a tax
credit under this Subsection (3); and
- 389 (v) the claimant, estate, or trust obtains a written certification from the office in accordance with
Subsection (7).
- 389 (b)
- . (i) Subject to Subsections (3)(b)(ii) through (iv), the tax credit is equal to 10% of the reasonable costs of
the commercial energy system.
- 391 (ii) A tax credit under this Subsection (3) may include installation costs.
- 392 (iii) A claimant, estate, or trust is eligible to claim a tax credit under this Subsection (3) for the taxable
year in which the commercial energy system is completed and placed in service.
- 395 (iv) The total amount of tax credit a claimant, estate, or trust may claim under this Subsection (3) may
not exceed \$50,000 per commercial unit.
- 397 (c)
- . (i) Subject to Subsections (3)(c)(ii) and (iii), a claimant, estate, or trust that is a lessee of a commercial
energy system installed on a commercial unit may claim a tax credit under this Subsection (3) if the
claimant, estate, or trust confirms that the lessor irrevocably elects not to claim the tax credit.
- 401 (ii) A claimant, estate, or trust described in Subsection (3)(c)(i) may claim as a tax credit under this
Subsection (3) only the principal recovery portion of the lease payments.
- 404 (iii) A claimant, estate, or trust described in Subsection (3)(c)(i) may claim a tax credit under this
Subsection (3) for a period that does not exceed seven taxable years after the day on which the lease
begins, as stated in the lease agreement.
- 407 (4)
- . (a) Subject to the other provisions of this Subsection (4), a claimant, estate, or trust may claim a
refundable tax credit under this Subsection (4) with respect to a commercial energy system if:
- 410 (i) the commercial energy system uses wind, geothermal electricity, or biomass equipment capable
of producing a total of 660 or more kilowatts of electricity;
- 412 (ii)
- . (A) the commercial energy system supplies all or part of the energy required by commercial units
owned or used by the claimant, estate, or trust; or
- 414

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(B) the claimant, estate, or trust sells all or part of the energy produced by the commercial energy system as a commercial enterprise;

416 (iii) for a commercial energy system using wind, the system includes adequate energy storage;

418 [~~(iii)~~] (iv) the claimant, estate, or trust has not claimed and will not claim a tax credit under Subsection (6) for hydrogen production using electricity for which the claimant, estate, or trust claims a tax credit under this Subsection (4); and

421 [~~(iv)~~] (v) the claimant, estate, or trust obtains a written certification from the office in accordance with Subsection (7).

423 (b)

. (i) Subject to Subsection (4)(b)(ii), a tax credit under this Subsection (4) is equal to the product of:

425 (A) 0.35 cents; and

426 (B) the kilowatt hours of electricity produced and used or sold during the taxable year.

428 (ii) A claimant, estate, or trust is eligible to claim a tax credit under this Subsection (4) for production occurring during a period of 48 months beginning with the month in which the commercial energy system is placed in commercial service.

431 (c) For purposes of calculating the tax credit under this Subsection (4), electricity that is stored and later sold may only be counted at the time the electricity is sold from storage.

434 [~~(e)~~] (d) A claimant, estate, or trust that is a lessee of a commercial energy system installed on a commercial unit may claim a tax credit under this Subsection (4) if the claimant, estate, or trust confirms that the lessor irrevocably elects not to claim the tax credit.

449 (e) Notwithstanding Subsection (4)(a)(iii), a commercial energy system is exempt from the energy storage requirement if the system had a position in an interconnection queue or a signed agreement with a transmission provider before January 1, 2025.

438 (5)

. (a) Subject to the other provisions of this Subsection (5), a claimant, estate, or trust may claim a refundable tax credit as provided in this Subsection (5) if:

440 (i) the claimant, estate, or trust owns a commercial energy system that:

441 (A) uses solar equipment capable of producing a total of 660 or more kilowatts of electricity; and

443 (B) includes adequate energy storage;

444 (ii)

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- (A) the commercial energy system supplies all or part of the energy required by commercial units owned or used by the claimant, estate, or trust; or
- 446 (B) the claimant, estate, or trust sells all or part of the energy produced by the commercial energy system as a commercial enterprise;
- 448 (iii) the claimant, estate, or trust does not claim a tax credit under Subsection (3);
- 449 (iv) the claimant, estate, or trust has not claimed and will not claim a tax credit under Subsection (6) for hydrogen production using electricity for which a taxpayer claims a tax credit under this Subsection (5); and
- 452 (v) the claimant, estate, or trust obtains a written certification from the office in accordance with Subsection (7).
- 454 (b)
- . (i) Subject to Subsection (5)(b)(ii), a tax credit under this Subsection (5) is equal to the product of:
- 456 (A) 0.35 cents; and
- 457 (B) the kilowatt hours of electricity produced and used or sold during the taxable year.
- 459 (ii) A claimant, estate, or trust is eligible to claim a tax credit under this Subsection (5) for production occurring during a period of 48 months beginning with the month in which the commercial energy system is placed in commercial service.
- 462 (c) For purposes of calculating the tax credit under this Subsection (5), electricity that is stored and later sold may only be counted at the time the electricity is sold from storage.
- 465 (d) A claimant, estate, or trust that is a lessee of a commercial energy system installed on a commercial unit may claim a tax credit under this Subsection (5) if the claimant, estate, or trust confirms that the lessor irrevocably elects not to claim the tax credit.
- 482 (e) Notwithstanding Subsection (5)(a)(i)(B), a commercial energy system is exempt from the energy storage requirement if the system had a position in an interconnection queue or a signed agreement with a transmission provider before January 1, 2025.
- 468 (6)
- . (a) A claimant, estate, or trust may claim a refundable tax credit as provided in this Subsection (6) if:
- 470 (i) the claimant, estate, or trust owns a hydrogen production system;
- 471 (ii) the hydrogen production system is completed and placed in service on or after January 1, 2022;
- 473

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- (iii) the claimant, estate, or trust sells as a commercial enterprise, or supplies for the claimant's, estate's, or trust's own use in commercial units, the hydrogen produced from the hydrogen production system;
- 476 (iv) the claimant, estate, or trust has not claimed and will not claim a tax credit under Subsection
(3), (4), or (5) for electricity used to meet the requirements of this Subsection (6); and
- 479 (v) the claimant, estate, or trust obtains a written certification from the office in accordance with
Subsection (7).
- 481 (b)
- . (i) Subject to Subsections (6)(b)(ii) and (iii), a tax credit under this Subsection (6) is equal to the
product of:
 - 483 (A) \$0.12; and
 - 484 (B) the number of kilograms of hydrogen produced during the taxable year.
- 485 (ii) A claimant, estate, or trust may not receive a tax credit under this Subsection (6) for more than
5,600 metric tons of hydrogen per taxable year.
- 487 (iii) A claimant, estate, or trust is eligible to claim a tax credit under this Subsection (6) for production
occurring during a period of 48 months beginning with the month in which the hydrogen production
system is placed in commercial service.
- 490 (7)
- . (a) Before a claimant, estate, or trust may claim a tax credit under this section, the claimant, estate, or
trust shall obtain a written certification from the office.
- 492 (b) The office shall issue a claimant, estate, or trust a written certification if the office determines that:
 - 494 (i) the claimant, estate, or trust meets the requirements of this section to receive a tax credit; and
 - 496 (ii) the commercial energy system or the hydrogen production system with respect to which the
claimant, estate, or trust seeks to claim a tax credit:
 - 498 (A) has been completely installed;
 - 499 (B) is a viable system for saving or producing energy from clean resources; and
 - 500 (C) is safe, reliable, efficient, and technically feasible to ensure that the commercial energy system or
the hydrogen production system uses the state's clean and nonrenewable resources in an appropriate
and economic manner.
- 503 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the office may make
rules:

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- 505 (i) for determining whether a commercial energy system or a hydrogen production system meets the
requirements of Subsection (7)(b)(ii); and
- 507 (ii) for purposes of a tax credit under Subsection (3), establishing the reasonable costs of a commercial
energy system, as an amount per unit of energy production.
- 509 (d) A claimant, estate, or trust that obtains a written certification from the office shall retain the
certification for the same time period a person is required to keep books and records under Section
59-1-1406.
- 512 (e) The office shall submit to the commission an electronic list that includes:
- 513 (i) the name and identifying information of each claimant, estate, or trust to which the office issues a
written certification; and
- 515 (ii) for each claimant, estate, or trust:
- 516 (A) the amount of the tax credit listed on the written certification; and
- 517 (B) the date the commercial energy system or the hydrogen production system was installed.
- 519 (8) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission
may make rules to address the certification of a tax credit under this section.
- 521 (9) A tax credit under this section is in addition to any tax credits provided under the laws or rules and
regulations of the United States.
- 523 (10) A purchaser of one or more solar units that claims a tax credit under Section 59-10-1024 for
the purchase of the one or more solar units may not claim a tax credit under this section for that
purchase.
- 526 (11) A claimant, estate, or trust may not claim or carry forward a tax credit described in this section in
a taxable year during which the claimant, estate, or trust claims or carries forward a tax credit under
Section 59-10-1029.

547 Section 3. **Effective date.**

This bill takes effect for a taxable year beginning on or after January 1, 2026.

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