

Derrin R. Owens proposes the following substitute bill:

**Commercial Wind and Solar Incentives Amendments**

2025 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Derrin R. Owens**

House Sponsor:

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**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

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

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

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

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

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

**59-7-614 . Clean energy systems tax credits -- Definitions -- Certification --**

**Rulemaking authority.**

(1) As used in this section:

(a)(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

- 30 (B) transferring a form of energy described in Subsection (1)(a)(i)(A) by a  
31 separate apparatus to storage or to the point of use.
- 32 (ii) "Active solar system" includes water heating, space heating or cooling, and  
33 electrical or mechanical energy generation.
- 34 (b) "Adequate energy storage" means an energy storage system that:
- 35 (i) is capable of storing electrical energy produced by a commercial energy system;  
36 (ii) can provide at least 6 hours of the commercial energy system's nameplate  
37 capacity; and
- 38 (iii) enables the commercial energy system to meet the requirements of being  
39 dispatchable and reliable.
- 40 [(b)] (c) "Biomass system" means a system of apparatus and equipment for use in:  
41 (i) converting material into biomass energy, as defined in Section 59-12-102; and  
42 (ii) transporting the biomass energy by separate apparatus to the point of use or  
43 storage.
- 44 [(e)] (d) "Clean energy source" means the same as that term is defined in Section  
45 54-17-601.
- 46 [(d)] (e) "Commercial energy system" means a system that is:
- 47 (i)(A) an active solar system;  
48 (B) a biomass system;  
49 (C) a direct use geothermal system;  
50 (D) a geothermal electricity system;  
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  
61 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

64 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  
67 wind system, each individual energy generating device is considered to be a  
68 commercial unit; or

69 (B) if an energy system is the building or structure that an entity uses to transact  
70 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  
72 enables the direct use of geothermal energy to meet energy needs, including heating a  
73 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  
79 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  
82 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  
85 capable of:

86 (i) intercepting and converting kinetic water energy into electrical or mechanical  
87 energy; and

88 (ii) transferring this form of energy by separate apparatus to the point of use or  
89 storage.

90 ~~[(l)]~~ (n) "Hydrogen production system" means a system of apparatus and equipment,  
91 located in this state, that uses:

92 (i) electricity from a clean energy source to create hydrogen gas from water,  
93 regardless of whether the clean energy source is at a separate facility or the same  
94 facility as the system of apparatus and equipment; or

95 (ii) uses renewable natural gas to produce hydrogen gas.

96 ~~[(m)]~~ (o) "Office" means the Office of Energy Development created in Section 79-6-401.

97 ~~[(n)]~~ (p)(i) "Passive solar system" means a direct thermal system that utilizes the

- 98 structure of a building and the structure's operable components to provide for  
99 collection, storage, and distribution of heating or cooling during the appropriate  
100 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  
102 are expressly designed and required for the collection, storage, and distribution of  
103 solar energy.
- 104 ~~(q)~~ (q) "Photovoltaic system" means an active solar system that generates electricity  
105 from sunlight.
- 106 ~~(r)~~ (r)(i) "Principal recovery portion" means the portion of a lease payment that  
107 constitutes the cost a person incurs in acquiring a commercial energy system.
- 108 (ii) "Principal recovery portion" does not include:  
109 (A) an interest charge; or  
110 (B) a maintenance expense.
- 111 (s) "Reliable" means the same as that term is defined in Section 79-6-102.
- 112 ~~(t)~~ (t) "Residential energy system" means the following used to supply energy to or for  
113 a residential unit:  
114 (i) an active solar system;  
115 (ii) a biomass system;  
116 (iii) a direct use geothermal system;  
117 (iv) a geothermal heat pump system;  
118 (v) a hydroenergy system;  
119 (vi) a passive solar system; or  
120 (vii) a wind system.
- 121 ~~(u)~~ (u)(i) "Residential unit" means a house, condominium, apartment, or similar  
122 dwelling unit that:  
123 (A) is located in the state; and  
124 (B) serves as a dwelling for a person, group of persons, or a family.
- 125 (ii) "Residential unit" does not include property subject to a fee under:  
126 (A) Section 59-2-405;  
127 (B) Section 59-2-405.1;  
128 (C) Section 59-2-405.2;  
129 (D) Section 59-2-405.3; or  
130 (E) Section 72-10-110.5.
- 131 ~~(v)~~ (v) "Wind system" means a system of apparatus and equipment that is capable of:

- 132 (i) intercepting and converting wind energy into mechanical or electrical energy; and  
133 (ii) transferring these forms of energy by a separate apparatus to the point of use,  
134 sale, or storage.
- 135 (2) A taxpayer may claim an energy system tax credit as provided in this section against a  
136 tax due under this chapter for a taxable year.
- 137 (3)(a) Subject to the other provisions of this Subsection (3), a taxpayer may claim a  
138 nonrefundable tax credit under this Subsection (3) with respect to a residential unit  
139 the taxpayer owns or uses if:
- 140 (i) the taxpayer:
- 141 (A) purchases and completes a residential energy system to supply all or part of  
142 the energy required for the residential unit; or  
143 (B) participates in the financing of a residential energy system to supply all or part  
144 of the energy required for the residential unit; and
- 145 (ii) the taxpayer obtains a written certification from the office in accordance with  
146 Subsection (8).
- 147 (b)(i) Subject to Subsections (3)(b)(ii) through (iv) and, as applicable, Subsection  
148 (3)(c) or (d), the tax credit is equal to 25% of the reasonable costs of each  
149 residential energy system installed with respect to each residential unit the  
150 taxpayer owns or uses.
- 151 (ii) A tax credit under this Subsection (3) may include installation costs.
- 152 (iii) A taxpayer may claim a tax credit under this Subsection (3) for the taxable year  
153 in which the residential energy system is completed and placed in service.
- 154 (iv) If the amount of a tax credit under this Subsection (3) exceeds a taxpayer's tax  
155 liability under this chapter for a taxable year, the taxpayer may carry forward the  
156 amount of the tax credit exceeding the liability for a period that does not exceed  
157 the next four taxable years.
- 158 (c) The total amount of tax credit a taxpayer may claim under this Subsection (3) for a  
159 residential energy system, other than a photovoltaic system, may not exceed \$2,000  
160 per residential unit.
- 161 (d) The total amount of tax credit a taxpayer may claim under this Subsection (3) for a  
162 photovoltaic system may not exceed:
- 163 (i) for a system installed on or after January 1, 2018, but on or before December 31,  
164 2020, \$1,600;
- 165 (ii) for a system installed on or after January 1, 2021, but on or before December 31,

- 166                   2021, \$1,200;
- 167                   (iii) for a system installed on or after January 1, 2022, but on or before December 31,
- 168                   2022, \$800;
- 169                   (iv) for a system installed on or after January 1, 2023, but on or before December 31,
- 170                   2023, \$400; and
- 171                   (v) for a system installed on or after January 1, 2024, \$0.
- 172           (e) If a taxpayer sells a residential unit to another person before the taxpayer claims the
- 173           tax credit under this Subsection (3):
- 174           (i) the taxpayer may assign the tax credit to the other person; and
- 175           (ii)(A) if the other person files a return under this chapter, the other person may
- 176                   claim the tax credit under this section as if the other person had met the
- 177                   requirements of this section to claim the tax credit; or
- 178                   (B) if the other person files a return under Chapter 10, Individual Income Tax Act,
- 179                   the other person may claim the tax credit under Section 59-10-1014 as if the
- 180                   other person had met the requirements of Section 59-10-1014 to claim the tax
- 181                   credit.
- 182           (4)(a) Subject to the other provisions of this Subsection (4), a taxpayer may claim a
- 183           refundable tax credit under this Subsection (4) with respect to a commercial energy
- 184           system if:
- 185           (i) the commercial energy system does not use:
- 186                   (A) wind, geothermal electricity, solar, or biomass equipment capable of
- 187                   producing a total of 660 or more kilowatts of electricity; or
- 188                   (B) solar equipment capable of producing 2,000 or more kilowatts of electricity;
- 189           (ii) the taxpayer purchases or participates in the financing of the commercial energy
- 190           system;
- 191           (iii)(A) the commercial energy system supplies all or part of the energy required
- 192                   by commercial units owned or used by the taxpayer; or
- 193                   (B) the taxpayer sells all or part of the energy produced by the commercial energy
- 194                   system as a commercial enterprise;
- 195           (iv) the taxpayer has not claimed and will not claim a tax credit under Subsection (7)
- 196                   for hydrogen production using electricity for which the taxpayer claims a tax
- 197                   credit under this Subsection (4); and
- 198           (v) the taxpayer obtains a written certification from the office in accordance with
- 199           Subsection (8).

- 200 (b)(i) Subject to Subsections (4)(b)(ii) through (iv), the tax credit is equal to 10% of  
 201 the reasonable costs of the commercial energy system.
- 202 (ii) A tax credit under this Subsection (4) may include installation costs.
- 203 (iii) A taxpayer is eligible to claim a tax credit under this Subsection (4) for the  
 204 taxable year in which the commercial energy system is completed and placed in  
 205 service.
- 206 (iv) The total amount of tax credit a taxpayer may claim under this Subsection (4)  
 207 may not exceed \$50,000 per commercial unit.
- 208 (c)(i) Subject to Subsections (4)(c)(ii) and (iii), a taxpayer that is a lessee of a  
 209 commercial energy system installed on a commercial unit may claim a tax credit  
 210 under this Subsection (4) if the taxpayer confirms that the lessor irrevocably elects  
 211 not to claim the tax credit.
- 212 (ii) A taxpayer described in Subsection (4)(c)(i) may claim as a tax credit under this  
 213 Subsection (4) only the principal recovery portion of the lease payments.
- 214 (iii) A taxpayer described in Subsection (4)(c)(i) may claim a tax credit under this  
 215 Subsection (4) for a period that does not exceed seven taxable years after the day  
 216 on which the lease begins, as stated in the lease agreement.
- 217 (5)(a) Subject to the other provisions of this Subsection (5), a taxpayer may claim a  
 218 refundable tax credit under this Subsection (5) with respect to a commercial energy  
 219 system if:
- 220 (i) the commercial energy system uses wind, geothermal electricity, or biomass  
 221 equipment capable of producing a total of 660 or more kilowatts of electricity;
- 222 (ii)(A) the commercial energy system supplies all or part of the energy required by  
 223 commercial units owned or used by the taxpayer; or
- 224 (B) the taxpayer sells all or part of the energy produced by the commercial energy  
 225 system as a commercial enterprise;
- 226 (iii) for a commercial energy system using wind, the system includes adequate energy  
 227 storage;
- 228 [~~(iii)~~] (iv) the taxpayer has not claimed and will not claim a tax credit under  
 229 Subsection (7) for hydrogen production using electricity for which the taxpayer  
 230 claims a tax credit under this Subsection (5); and
- 231 [~~(iv)~~] (v) the taxpayer obtains a written certification from the office in accordance  
 232 with Subsection (8).
- 233 (b)(i) Subject to Subsection (5)(b)(ii), a tax credit under this Subsection (5) is equal

- 234 to the product of:
- 235 (A) 0.35 cents; and
- 236 (B) the kilowatt hours of electricity produced and used or sold during the taxable
- 237 year.
- 238 (ii) A taxpayer is eligible to claim a tax credit under this Subsection (5) for
- 239 production occurring during a period of 48 months beginning with the month in
- 240 which the commercial energy system is placed in commercial service.
- 241 (c) A taxpayer that is a lessee of a commercial energy system installed on a commercial
- 242 unit may claim a tax credit under this Subsection (5) if the taxpayer confirms that the
- 243 lessor irrevocably elects not to claim the tax credit.
- 244 (6)(a) Subject to the other provisions of this Subsection (6), a taxpayer may claim a
- 245 refundable tax credit as provided in this Subsection (6) if:
- 246 (i) the taxpayer owns a commercial energy system that:
- 247 (A) uses solar equipment capable of producing a total of 660 or more kilowatts of
- 248 electricity; and
- 249 (B) includes adequate energy storage;
- 250 (ii)(A) the commercial energy system supplies all or part of the energy required by
- 251 commercial units owned or used by the taxpayer; or
- 252 (B) the taxpayer sells all or part of the energy produced by the commercial energy
- 253 system as a commercial enterprise;
- 254 (iii) the taxpayer does not claim a tax credit under Subsection (4) and has not claimed
- 255 and will not claim a tax credit under Subsection (7) for hydrogen production using
- 256 electricity for which a taxpayer claims a tax credit under this Subsection (6); and
- 257 (iv) the taxpayer obtains a written certification from the office in accordance with
- 258 Subsection (8).
- 259 (b)(i) Subject to Subsection (6)(b)(ii), a tax credit under this Subsection (6) is equal
- 260 to the product of:
- 261 (A) 0.35 cents; and
- 262 (B) the kilowatt hours of electricity produced and used or sold during the taxable
- 263 year.
- 264 (ii) A taxpayer is eligible to claim a tax credit under this Subsection (6) for
- 265 production occurring during a period of 48 months beginning with the month in
- 266 which the commercial energy system is placed in commercial service.
- 267 (c) A taxpayer that is a lessee of a commercial energy system installed on a commercial



268 unit may claim a tax credit under this Subsection (6) if the taxpayer confirms that the  
269 lessor irrevocably elects not to claim the tax credit.

270 (7)(a) A taxpayer may claim a refundable tax credit as provided in this Subsection (7) if:

- 271 (i) the taxpayer owns a hydrogen production system;
- 272 (ii) the hydrogen production system is completed and placed in service on or after  
273 January 1, 2022;
- 274 (iii) the taxpayer sells as a commercial enterprise, or supplies for the taxpayer's own  
275 use in commercial units, the hydrogen produced from the hydrogen production  
276 system;
- 277 (iv) the taxpayer has not claimed and will not claim a tax credit under Subsection (4),  
278 (5), or (6) or Section 59-7-626 for electricity or hydrogen used to meet the  
279 requirements of this Subsection (7); and
- 280 (v) the taxpayer obtains a written certification from the office in accordance with  
281 Subsection (8).

282 (b)(i) Subject to Subsections (7)(b)(ii) and (iii), a tax credit under this Subsection (7)  
283 is equal to the product of:

- 284 (A) \$0.12; and
- 285 (B) the number of kilograms of hydrogen produced during the taxable year.
- 286 (ii) A taxpayer may not receive a tax credit under this Subsection (7) for more than  
287 5,600 metric tons of hydrogen per taxable year.
- 288 (iii) A taxpayer is eligible to claim a tax credit under this Subsection (7) for  
289 production occurring during a period of 48 months beginning with the month in  
290 which the hydrogen production system is placed in commercial service.

291 (8)(a) Before a taxpayer may claim a tax credit under this section, the taxpayer shall  
292 obtain a written certification from the office.

293 (b) The office shall issue a taxpayer a written certification if the office determines that:

- 294 (i) the taxpayer meets the requirements of this section to receive a tax credit; and
- 295 (ii) the residential energy system, the commercial energy system, or the hydrogen  
296 production system with respect to which the taxpayer seeks to claim a tax credit:
  - 297 (A) has been completely installed;
  - 298 (B) is a viable system for saving or producing energy from clean resources; and
  - 299 (C) is safe, reliable, efficient, and technically feasible to ensure that the residential  
300 energy system, the commercial energy system, or the hydrogen production  
301 system uses the state's clean and nonrenewable energy resources in an

- 302 appropriate and economic manner.
- 303 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
304 office may make rules:
- 305 (i) for determining whether a residential energy system, a commercial energy system,  
306 or a hydrogen production system meets the requirements of Subsection (8)(b)(ii);  
307 and
- 308 (ii) for purposes of a tax credit under Subsection (3) or (4), establishing the  
309 reasonable costs of a residential energy system or a commercial energy system, as  
310 an amount per unit of energy production.
- 311 (d) A taxpayer that obtains a written certification from the office shall retain the  
312 certification for the same time period a person is required to keep books and records  
313 under Section 59-1-1406.
- 314 (e) The office shall submit to the commission an electronic list that includes:
- 315 (i) the name and identifying information of each taxpayer to which the office issues a  
316 written certification; and
- 317 (ii) for each taxpayer:
- 318 (A) the amount of the tax credit listed on the written certification; and  
319 (B) the date the clean energy system was installed.
- 320 (9) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
321 commission may make rules to address the certification of a tax credit under this section.
- 322 (10) A tax credit under this section is in addition to any tax credits provided under the laws  
323 or rules and regulations of the United States.
- 324 (11) A taxpayer may not claim or carry forward a tax credit described in this section in a  
325 taxable year during which the taxpayer claims or carries forward a tax credit under  
326 Section 59-7-614.7.

327 Section 2. Section **59-10-1106** is amended to read:

328 **59-10-1106 . Refundable clean energy systems tax credits -- Definitions --**

329 **Certification -- Rulemaking authority.**

- 330 (1) As used in this section:
- 331 (a) "Active solar system" means the same as that term is defined in Section 59-10-1014.
- 332 (b) "Adequate energy storage" means the same as that term is defined in Section  
333 59-7-614.
- 334 [~~(b)~~] (c) "Biomass system" means the same as that term is defined in Section 59-10-1014.
- 335 [~~(e)~~] (d) "Commercial energy system" means the same as that term is defined in Section

- 336 59-7-614.
- 337 [~~(d)~~] (e) "Commercial enterprise" means the same as that term is defined in Section
- 338 59-7-614.
- 339 [~~(e)~~] (f) "Commercial unit" means the same as that term is defined in Section 59-7-614.
- 340 [~~(f)~~] (g) "Direct use geothermal system" means the same as that term is defined in
- 341 Section 59-10-1014.
- 342 (h) "Dispatchable" means the same as that term is defined in Section 79-6-102.
- 343 [~~(g)~~] (i) "Geothermal electricity" means the same as that term is defined in Section
- 344 59-10-1014.
- 345 [~~(h)~~] (j) "Geothermal energy" means the same as that term is defined in Section
- 346 59-10-1014.
- 347 [~~(i)~~] (k) "Geothermal heat pump system" means the same as that term is defined in
- 348 Section 59-10-1014.
- 349 [~~(j)~~] (l) "Hydroenergy system" means the same as that term is defined in Section
- 350 59-10-1014.
- 351 [~~(k)~~] (m) "Hydrogen production system" means the same as that term is defined in
- 352 Section 59-7-614.
- 353 [~~(l)~~] (n) "Office" means the Office of Energy Development created in Section 79-6-401.
- 354 [~~(m)~~] (o) "Passive solar system" means the same as that term is defined in Section
- 355 59-10-1014.
- 356 [~~(n)~~] (p) "Principal recovery portion" means the same as that term is defined in Section
- 357 59-10-1014.
- 358 (q) "Reliable" means the same as that term is defined in Section 79-6-102.
- 359 [~~(o)~~] (r) "Wind system" means the same as that term is defined in Section 59-10-1014.
- 360 (2) A claimant, estate, or trust may claim an energy system tax credit as provided in this
- 361 section against a tax due under this chapter for a taxable year.
- 362 (3)(a) Subject to the other provisions of this Subsection (3), a claimant, estate, or trust
- 363 may claim a refundable tax credit under this Subsection (3) with respect to a
- 364 commercial energy system if:
- 365 (i) the commercial energy system does not use:
- 366 (A) wind, geothermal electricity, solar, or biomass equipment capable of
- 367 producing a total of 660 or more kilowatts of electricity; or
- 368 (B) solar equipment capable of producing 2,000 or more kilowatts of electricity;
- 369 (ii) the claimant, estate, or trust purchases or participates in the financing of the

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

- 404 commercial units owned or used by the claimant, estate, or trust; or  
 405 (B) the claimant, estate, or trust sells all or part of the energy produced by the  
 406 commercial energy system as a commercial enterprise;  
 407 (iii) for a commercial energy system using wind, the system includes adequate energy  
 408 storage;  
 409 ~~[(iii)]~~ (iv) the claimant, estate, or trust has not claimed and will not claim a tax credit  
 410 under Subsection (6) for hydrogen production using electricity for which the  
 411 claimant, estate, or trust claims a tax credit under this Subsection (4); and  
 412 ~~[(iv)]~~ (v) the claimant, estate, or trust obtains a written certification from the office in  
 413 accordance with Subsection (7).
- 414 (b)(i) Subject to Subsection (4)(b)(ii), a tax credit under this Subsection (4) is equal  
 415 to the product of:  
 416 (A) 0.35 cents; and  
 417 (B) the kilowatt hours of electricity produced and used or sold during the taxable  
 418 year.
- 419 (ii) A claimant, estate, or trust is eligible to claim a tax credit under this Subsection  
 420 (4) for production occurring during a period of 48 months beginning with the  
 421 month in which the commercial energy system is placed in commercial service.
- 422 (c) A claimant, estate, or trust that is a lessee of a commercial energy system installed on  
 423 a commercial unit may claim a tax credit under this Subsection (4) if the claimant,  
 424 estate, or trust confirms that the lessor irrevocably elects not to claim the tax credit.
- 425 (5)(a) Subject to the other provisions of this Subsection (5), a claimant, estate, or trust  
 426 may claim a refundable tax credit as provided in this Subsection (5) if:  
 427 (i) the claimant, estate, or trust owns a commercial energy system that:  
 428 (A) uses solar equipment capable of producing a total of 660 or more kilowatts of  
 429 electricity; and  
 430 (B) includes adequate energy storage;  
 431 (ii)(A) the commercial energy system supplies all or part of the energy required by  
 432 commercial units owned or used by the claimant, estate, or trust; or  
 433 (B) the claimant, estate, or trust sells all or part of the energy produced by the  
 434 commercial energy system as a commercial enterprise;  
 435 (iii) the claimant, estate, or trust does not claim a tax credit under Subsection (3);  
 436 (iv) the claimant, estate, or trust has not claimed and will not claim a tax credit under  
 437 Subsection (6) for hydrogen production using electricity for which a taxpayer

- 438 claims a tax credit under this Subsection (5); and
- 439 (v) the claimant, estate, or trust obtains a written certification from the office in  
440 accordance with Subsection (7).
- 441 (b)(i) Subject to Subsection (5)(b)(ii), a tax credit under this Subsection (5) is equal  
442 to the product of:
- 443 (A) 0.35 cents; and
- 444 (B) the kilowatt hours of electricity produced and used or sold during the taxable  
445 year.
- 446 (ii) A claimant, estate, or trust is eligible to claim a tax credit under this Subsection  
447 (5) for production occurring during a period of 48 months beginning with the  
448 month in which the commercial energy system is placed in commercial service.
- 449 (c) A claimant, estate, or trust that is a lessee of a commercial energy system installed on  
450 a commercial unit may claim a tax credit under this Subsection (5) if the claimant,  
451 estate, or trust confirms that the lessor irrevocably elects not to claim the tax credit.
- 452 (6)(a) A claimant, estate, or trust may claim a refundable tax credit as provided in this  
453 Subsection (6) if:
- 454 (i) the claimant, estate, or trust owns a hydrogen production system;
- 455 (ii) the hydrogen production system is completed and placed in service on or after  
456 January 1, 2022;
- 457 (iii) the claimant, estate, or trust sells as a commercial enterprise, or supplies for the  
458 claimant's, estate's, or trust's own use in commercial units, the hydrogen produced  
459 from the hydrogen production system;
- 460 (iv) the claimant, estate, or trust has not claimed and will not claim a tax credit under  
461 Subsection (3), (4), or (5) for electricity used to meet the requirements of this  
462 Subsection (6); and
- 463 (v) the claimant, estate, or trust obtains a written certification from the office in  
464 accordance with Subsection (7).
- 465 (b)(i) Subject to Subsections (6)(b)(ii) and (iii), a tax credit under this Subsection (6)  
466 is equal to the product of:
- 467 (A) \$0.12; and
- 468 (B) the number of kilograms of hydrogen produced during the taxable year.
- 469 (ii) A claimant, estate, or trust may not receive a tax credit under this Subsection (6)  
470 for more than 5,600 metric tons of hydrogen per taxable year.
- 471 (iii) A claimant, estate, or trust is eligible to claim a tax credit under this Subsection

- 472 (6) for production occurring during a period of 48 months beginning with the  
473 month in which the hydrogen production system is placed in commercial service.
- 474 (7)(a) Before a claimant, estate, or trust may claim a tax credit under this section, the  
475 claimant, estate, or trust shall obtain a written certification from the office.
- 476 (b) The office shall issue a claimant, estate, or trust a written certification if the office  
477 determines that:
- 478 (i) the claimant, estate, or trust meets the requirements of this section to receive a tax  
479 credit; and
- 480 (ii) the commercial energy system or the hydrogen production system with respect to  
481 which the claimant, estate, or trust seeks to claim a tax credit:
- 482 (A) has been completely installed;
- 483 (B) is a viable system for saving or producing energy from clean resources; and
- 484 (C) is safe, reliable, efficient, and technically feasible to ensure that the  
485 commercial energy system or the hydrogen production system uses the state's  
486 clean and nonrenewable resources in an appropriate and economic manner.
- 487 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
488 office may make rules:
- 489 (i) for determining whether a commercial energy system or a hydrogen production  
490 system meets the requirements of Subsection (7)(b)(ii); and
- 491 (ii) for purposes of a tax credit under Subsection (3), establishing the reasonable costs  
492 of a commercial energy system, as an amount per unit of energy production.
- 493 (d) A claimant, estate, or trust that obtains a written certification from the office shall  
494 retain the certification for the same time period a person is required to keep books  
495 and records under Section 59-1-1406.
- 496 (e) The office shall submit to the commission an electronic list that includes:
- 497 (i) the name and identifying information of each claimant, estate, or trust to which the  
498 office issues a written certification; and
- 499 (ii) for each claimant, estate, or trust:
- 500 (A) the amount of the tax credit listed on the written certification; and
- 501 (B) the date the commercial energy system or the hydrogen production system  
502 was installed.
- 503 (8) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
504 commission may make rules to address the certification of a tax credit under this section.
- 505 (9) A tax credit under this section is in addition to any tax credits provided under the laws

506 or rules and regulations of the United States.

507 (10) A purchaser of one or more solar units that claims a tax credit under Section  
508 59-10-1024 for the purchase of the one or more solar units may not claim a tax credit  
509 under this section for that purchase.

510 (11) A claimant, estate, or trust may not claim or carry forward a tax credit described in this  
511 section in a taxable year during which the claimant, estate, or trust claims or carries  
512 forward a tax credit under Section 59-10-1029.

513 Section 3. **Effective Date.**

514 This bill takes effect on May 7, 2025.