

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: Carl R. Albrecht

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:

This bill provides a special effective date.

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

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 six hours of the commercial energy system's expected peak
37 daily generation; 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) "Peak daily generation" means the total electricity generation during the highest
105 generation month of a calendar year, divided by the number of days in that month.
- 106 ~~(r)~~ (r) "Photovoltaic system" means an active solar system that generates electricity
107 from sunlight.
- 108 ~~(s)~~ (s)(i) "Principal recovery portion" means the portion of a lease payment that
109 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) "Reliable" means the same as that term is defined in Section 79-6-102.
- 114 ~~(u)~~ (u) "Residential energy system" means the following used to supply energy to or for
115 a residential unit:
- 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)~~ (v)(i) "Residential unit" means a house, condominium, apartment, or similar
124 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) "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,
- 136 sale, or storage.
- 137 (2) A taxpayer may claim an energy system tax credit as provided in this section against a
- 138 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
- 140 nonrefundable tax credit under this Subsection (3) with respect to a residential unit
- 141 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
- 144 the energy required for the residential unit; or
- 145 (B) participates in the financing of a residential energy system to supply all or part
- 146 of the energy required for the residential unit; and
- 147 (ii) the taxpayer obtains a written certification from the office in accordance with
- 148 Subsection (8).
- 149 (b)(i) Subject to Subsections (3)(b)(ii) through (iv) and, as applicable, Subsection
- 150 (3)(c) or (d), the tax credit is equal to 25% of the reasonable costs of each
- 151 residential energy system installed with respect to each residential unit the
- 152 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
- 155 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
- 157 liability under this chapter for a taxable year, the taxpayer may carry forward the
- 158 amount of the tax credit exceeding the liability for a period that does not exceed
- 159 the next four taxable years.
- 160 (c) The total amount of tax credit a taxpayer may claim under this Subsection (3) for a
- 161 residential energy system, other than a photovoltaic system, may not exceed \$2,000
- 162 per residential unit.
- 163 (d) The total amount of tax credit a taxpayer may claim under this Subsection (3) for a
- 164 photovoltaic system may not exceed:
- 165 (i) for a system installed on or after January 1, 2018, but on or before December 31,

- 166 2020, \$1,600;
- 167 (ii) for a system installed on or after January 1, 2021, but on or before December 31,
- 168 2021, \$1,200;
- 169 (iii) for a system installed on or after January 1, 2022, but on or before December 31,
- 170 2022, \$800;
- 171 (iv) for a system installed on or after January 1, 2023, but on or before December 31,
- 172 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
- 175 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
- 178 claim the tax credit under this section as if the other person had met the
- 179 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,
- 181 the other person may claim the tax credit under Section 59-10-1014 as if the
- 182 other person had met the requirements of Section 59-10-1014 to claim the tax
- 183 credit.
- 184 (4)(a) Subject to the other provisions of this Subsection (4), a taxpayer may claim a
- 185 refundable tax credit under this Subsection (4) with respect to a commercial energy
- 186 system if:
- 187 (i) the commercial energy system does not use:
- 188 (A) wind, geothermal electricity, solar, or biomass equipment capable of
- 189 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
- 192 system;
- 193 (iii)(A) the commercial energy system supplies all or part of the energy required
- 194 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
- 196 system as a commercial enterprise;
- 197 (iv) the taxpayer has not claimed and will not claim a tax credit under Subsection (7)
- 198 for hydrogen production using electricity for which the taxpayer claims a tax
- 199 credit under this Subsection (4); and

- 200 (v) the taxpayer obtains a written certification from the office in accordance with
201 Subsection (8).
- 202 (b)(i) Subject to Subsections (4)(b)(ii) through (iv), the tax credit is equal to 10% of
203 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
206 taxable year in which the commercial energy system is completed and placed in
207 service.
- 208 (iv) The total amount of tax credit a taxpayer may claim under this Subsection (4)
209 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
211 commercial energy system installed on a commercial unit may claim a tax credit
212 under this Subsection (4) if the taxpayer confirms that the lessor irrevocably elects
213 not to claim the tax credit.
- 214 (ii) A taxpayer described in Subsection (4)(c)(i) may claim as a tax credit under this
215 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
217 Subsection (4) for a period that does not exceed seven taxable years after the day
218 on which the lease begins, as stated in the lease agreement.
- 219 (5)(a) Subject to the other provisions of this Subsection (5), a taxpayer may claim a
220 refundable tax credit under this Subsection (5) with respect to a commercial energy
221 system if:
- 222 (i) the commercial energy system uses wind, geothermal electricity, or biomass
223 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
225 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
227 system as a commercial enterprise;
- 228 (iii) for a commercial energy system using wind, the system includes adequate energy
229 storage;
- 230 [~~(iii)~~] (iv) the taxpayer has not claimed and will not claim a tax credit under
231 Subsection (7) for hydrogen production using electricity for which the taxpayer
232 claims a tax credit under this Subsection (5); and
- 233 [~~(iv)~~] (v) the taxpayer obtains a written certification from the office in accordance

- 234 with Subsection (8).
- 235 (b)(i) Subject to Subsection (5)(b)(ii), a tax credit under this Subsection (5) is equal
- 236 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
- 239 year.
- 240 (ii) A taxpayer is eligible to claim a tax credit under this Subsection (5) for
- 241 production occurring during a period of 48 months beginning with the month in
- 242 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
- 244 stored and later sold may only be counted at the time the electricity is sold from
- 245 storage.
- 246 [(e)] (d) A taxpayer that is a lessee of a commercial energy system installed on a
- 247 commercial unit may claim a tax credit under this Subsection (5) if the taxpayer
- 248 confirms that the lessor irrevocably elects not to claim the tax credit.
- 249 (6)(a) Subject to the other provisions of this Subsection (6), a taxpayer may claim a
- 250 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
- 253 electricity; and
- 254 (B) includes adequate energy storage;
- 255 (ii)(A) the commercial energy system supplies all or part of the energy required by
- 256 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
- 258 system as a commercial enterprise;
- 259 (iii) the taxpayer does not claim a tax credit under Subsection (4) and has not claimed
- 260 and will not claim a tax credit under Subsection (7) for hydrogen production using
- 261 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
- 263 Subsection (8).
- 264 (b)(i) Subject to Subsection (6)(b)(ii), a tax credit under this Subsection (6) is equal
- 265 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

- 268 year.
- 269 (ii) A taxpayer is eligible to claim a tax credit under this Subsection (6) for
270 production occurring during a period of 48 months beginning with the month in
271 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
273 stored and later sold may only be counted at the time the electricity is sold from
274 storage.
- 275 [(e)] (d) A taxpayer that is a lessee of a commercial energy system installed on a
276 commercial unit may claim a tax credit under this Subsection (6) if the taxpayer
277 confirms that the lessor irrevocably elects not to claim the tax credit.
- 278 (7)(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
281 January 1, 2022;
282 (iii) the taxpayer sells as a commercial enterprise, or supplies for the taxpayer's own
283 use in commercial units, the hydrogen produced from the hydrogen production
284 system;
285 (iv) the taxpayer has not claimed and will not claim a tax credit under Subsection (4),
286 (5), or (6) or Section 59-7-626 for electricity or hydrogen used to meet the
287 requirements of this Subsection (7); and
288 (v) the taxpayer obtains a written certification from the office in accordance with
289 Subsection (8).
- 290 (b)(i) Subject to Subsections (7)(b)(ii) and (iii), a tax credit under this Subsection (7)
291 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
295 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
297 production occurring during a period of 48 months beginning with the month in
298 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
300 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
304 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
308 energy system, the commercial energy system, or the hydrogen production
309 system uses the state's clean and nonrenewable energy resources in an
310 appropriate and economic manner.
- 311 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
312 office may make rules:
- 313 (i) for determining whether a residential energy system, a commercial energy system,
314 or a hydrogen production system meets the requirements of Subsection (8)(b)(ii);
315 and
- 316 (ii) for purposes of a tax credit under Subsection (3) or (4), establishing the
317 reasonable costs of a residential energy system or a commercial energy system, as
318 an amount per unit of energy production.
- 319 (d) A taxpayer that obtains a written certification from the office shall retain the
320 certification for the same time period a person is required to keep books and records
321 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
324 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
329 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
331 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
333 taxable year during which the taxpayer claims or carries forward a tax credit under
334 Section 59-7-614.7.
- 335 Section 2. Section **59-10-1106** is amended to read:

- 336 **59-10-1106 . Refundable clean energy systems tax credits -- Definitions --**
 337 **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)~~ (b) "Adequate energy storage" means the same as that term is defined in Section
 341 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
 344 59-7-614.
 345 ~~(d)~~ (e) "Commercial enterprise" means the same as that term is defined in Section
 346 59-7-614.
 347 ~~(e)~~ (f) "Commercial unit" means the same as that term is defined in Section 59-7-614.
 348 ~~(f)~~ (g) "Direct use geothermal system" means the same as that term is defined in
 349 Section 59-10-1014.
 350 ~~(h)~~ (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
 352 59-10-1014.
 353 ~~(h)~~ (j) "Geothermal energy" means the same as that term is defined in Section
 354 59-10-1014.
 355 ~~(i)~~ (k) "Geothermal heat pump system" means the same as that term is defined in
 356 Section 59-10-1014.
 357 ~~(j)~~ (l) "Hydroenergy system" means the same as that term is defined in Section
 358 59-10-1014.
 359 ~~(k)~~ (m) "Hydrogen production system" means the same as that term is defined in
 360 Section 59-7-614.
 361 ~~(l)~~ (n) "Office" means the Office of Energy Development created in Section 79-6-401.
 362 ~~(m)~~ (o) "Passive solar system" means the same as that term is defined in Section
 363 59-10-1014.
 364 ~~(p)~~ (p) "Peak daily generation" means the same as that term is defined in Section 59-7-614.
 365 ~~(n)~~ (q) "Principal recovery portion" means the same as that term is defined in Section
 366 59-10-1014.
 367 ~~(r)~~ (r) "Reliable" means the same as that term is defined in Section 79-6-102.
 368 ~~(o)~~ (s) "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

- 370 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
372 may claim a refundable tax credit under this Subsection (3) with respect to a
373 commercial energy system if:
- 374 (i) the commercial energy system does not use:
 - 375 (A) wind, geothermal electricity, solar, or biomass equipment capable of
376 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
379 commercial energy system;
 - 380 (iii)(A) the commercial energy system supplies all or part of the energy required
381 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
383 commercial energy system as a commercial enterprise;
 - 384 (iv) the claimant, estate, or trust has not claimed and will not claim a tax credit under
385 Subsection (6) for hydrogen production using electricity for which the claimant,
386 estate, or trust claims a tax credit under this Subsection (3); and
 - 387 (v) the claimant, estate, or trust obtains a written certification from the office in
388 accordance with Subsection (7).
- 389 (b)(i) Subject to Subsections (3)(b)(ii) through (iv), the tax credit is equal to 10% of
390 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
393 (3) for the taxable year in which the commercial energy system is completed and
394 placed in service.
 - 395 (iv) The total amount of tax credit a claimant, estate, or trust may claim under this
396 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
398 lessee of a commercial energy system installed on a commercial unit may claim a
399 tax credit under this Subsection (3) if the claimant, estate, or trust confirms that
400 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
402 credit under this Subsection (3) only the principal recovery portion of the lease
403 payments.

- 404 (iii) A claimant, estate, or trust described in Subsection (3)(c)(i) may claim a tax
405 credit under this Subsection (3) for a period that does not exceed seven taxable
406 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
408 may claim a refundable tax credit under this Subsection (4) with respect to a
409 commercial energy system if:
- 410 (i) the commercial energy system uses wind, geothermal electricity, or biomass
411 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
413 commercial units owned or used by the claimant, estate, or trust; or
414 (B) the claimant, estate, or trust sells all or part of the energy produced by the
415 commercial energy system as a commercial enterprise;
- 416 (iii) for a commercial energy system using wind, the system includes adequate energy
417 storage;
- 418 ~~[(iii)]~~ (iv) the claimant, estate, or trust has not claimed and will not claim a tax credit
419 under Subsection (6) for hydrogen production using electricity for which the
420 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
422 accordance with Subsection (7).
- 423 (b)(i) Subject to Subsection (4)(b)(ii), a tax credit under this Subsection (4) is equal
424 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
427 year.
- 428 (ii) A claimant, estate, or trust is eligible to claim a tax credit under this Subsection
429 (4) for production occurring during a period of 48 months beginning with the
430 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
432 stored and later sold may only be counted at the time the electricity is sold from
433 storage.
- 434 ~~[(e)]~~ (d) A claimant, estate, or trust that is a lessee of a commercial energy system
435 installed on a commercial unit may claim a tax credit under this Subsection (4) if the
436 claimant, estate, or trust confirms that the lessor irrevocably elects not to claim the
437 tax credit.

- 438 (5)(a) Subject to the other provisions of this Subsection (5), a claimant, estate, or trust
439 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
442 electricity; and
- 443 (B) includes adequate energy storage;
- 444 (ii)(A) the commercial energy system supplies all or part of the energy required by
445 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
447 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
450 Subsection (6) for hydrogen production using electricity for which a taxpayer
451 claims a tax credit under this Subsection (5); and
- 452 (v) the claimant, estate, or trust obtains a written certification from the office in
453 accordance with Subsection (7).
- 454 (b)(i) Subject to Subsection (5)(b)(ii), a tax credit under this Subsection (5) is equal
455 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
458 year.
- 459 (ii) A claimant, estate, or trust is eligible to claim a tax credit under this Subsection
460 (5) for production occurring during a period of 48 months beginning with the
461 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
463 stored and later sold may only be counted at the time the electricity is sold from
464 storage.
- 465 (d) A claimant, estate, or trust that is a lessee of a commercial energy system installed on
466 a commercial unit may claim a tax credit under this Subsection (5) if the claimant,
467 estate, or trust confirms that the lessor irrevocably elects not to claim the tax credit.
- 468 (6)(a) A claimant, estate, or trust may claim a refundable tax credit as provided in this
469 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

- 472 January 1, 2022;
- 473 (iii) the claimant, estate, or trust sells as a commercial enterprise, or supplies for the
474 claimant's, estate's, or trust's own use in commercial units, the hydrogen produced
475 from the hydrogen production system;
- 476 (iv) the claimant, estate, or trust has not claimed and will not claim a tax credit under
477 Subsection (3), (4), or (5) for electricity used to meet the requirements of this
478 Subsection (6); and
- 479 (v) the claimant, estate, or trust obtains a written certification from the office in
480 accordance with Subsection (7).
- 481 (b)(i) Subject to Subsections (6)(b)(ii) and (iii), a tax credit under this Subsection (6)
482 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)
486 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
488 (6) for production occurring during a period of 48 months beginning with the
489 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
491 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
493 determines that:
- 494 (i) the claimant, estate, or trust meets the requirements of this section to receive a tax
495 credit; and
- 496 (ii) the commercial energy system or the hydrogen production system with respect to
497 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
501 commercial energy system or the hydrogen production system uses the state's
502 clean and nonrenewable resources in an appropriate and economic manner.
- 503 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
504 office may make rules:
- 505 (i) for determining whether a commercial energy system or a hydrogen production

- 506 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
508 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
510 retain the certification for the same time period a person is required to keep books
511 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
514 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
518 was installed.
- 519 (8) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
520 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
522 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
524 59-10-1024 for the purchase of the one or more solar units may not claim a tax credit
525 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
527 section in a taxable year during which the claimant, estate, or trust claims or carries
528 forward a tax credit under Section 59-10-1029.

529 **Section 3. Effective Date.**

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