



# Incentives Amendments - Summary

## **General changes**

- Requires each state agency that issues a tax credit certificate for an income tax credit or severance tax credit to provide the State Tax Commission with an electronic link to a webpage where the state agency lists the names of the claimants and amounts of tax credits claimed
- Requires the State Tax Commission to create a webpage that links to each state agency's list of tax credit claimants
- Requires the Revenue and Taxation Interim Committee to evaluate whether performance metrics or reporting requirements for the tax credit would improve the committee's evaluation of the benefits to the taxpayer and the state from the tax credit and, if so, prepare legislation recommending specific performance metrics or reporting requirements;

## **Historic preservation credit**

- Creates a certificate process for the historic preservation tax credits
- Requires the State Historic Preservation Office to report the estimated number of new jobs created from rehabilitation work in the Department of Cultural and Community Engagement's annual report

## **Recycling market development zone tax credits**

- Limits the machinery and equipment credit to taxpayers who do not qualify for a sales and use tax exemption on the purchase of machinery and equipment
- Removes the expenditures credit

## **Research activities tax credits**

- Creates a full certificate process within GOEO for the research expenses tax credit
- Taxpayer must apply to GOEO and provide:
  - receipts and other information needed to calculate the qualified research expenses, basic research payments, and base amount
  - descriptions of the qualified research expenses or payments for basic research
  - a statement of the benefits of the research to the state
- GOEO will then:
  - determine if the taxpayer has qualified research expenses or payments to a qualified organization for basic research
  - calculate the base amount
  - calculate the credit amount
  - issue a tax credit certificate

## **Energy systems tax credit**

- Renewable (RESTC)
  - Residential
    - Scheduled repeal in 2034
  - Commercial
    - Scheduled repeal in 2034



- Clarifies the production capacity requirements for solar equipment to be eligible for the renewable energy systems tax credits
- Nonrenewable (Hydrogen)
  - Scheduled repeal in 2034

### **Alternative energy development tax credit (AEDI)**

- Repeals the corporate and individual alternative energy development tax credits due to low usage (scheduled for automatic expiration in 2024).
- Repeals the Alternative Energy Development Tax Credit Act.

### **Motion picture incentives**

- Requires the Governor's Office of Economic Opportunity to report in the annual report the amount of new state revenue generated from motion picture projects within the state

### **Life sciences establishments income tax credit**

- Repeals due to low usage
- Also repeals the Life Science Economic Development Act.

### **Qualifying solar projects tax credit**

- Repeals due to low usage (scheduled for automatic expiration in 2024).