



UTAH OFFICE OF
ENERGY DEVELOPMENT

Tax Credits FY24



Renewable Energy Systems Tax Credit (RESTC)

- Utah Code 59-7-614 & 59-10-1014
- Credits for home and business owners who install renewable energy systems (mostly solar PV) on their property.
- Residential nonrefundable credit is calculated as 25% of system cost or the installation year limit, whichever is less.
 - Installation Year Limit:
 - Before 2018 = \$2,000
 - 2018-2020 = \$1,600
 - 2021 = \$1,200
 - 2022 = \$800
 - 2023 = \$400
 - Gone in 2024
- Commercial refundable credit is calculated as 10% of the system cost or \$50,000, whichever is less.

RESTC Amounts*

Number of Credits Approved	37,553
Amount in Credits Approved	60,713,035
Avg Credit Amount	\$1,617

RESTC Annual

FY	Number of Applications
2017-2020	15,800
2021	5,654
2022	6,655
2023	6,271
2024	3,173
Yearly Avg	4,694

*Numbers are approximate due to changes in reporting and programs over the past few years.





Renewable Energy Systems Tax Credit (RESTC)

- Residential average nameplate capacity size: 3-7 kW (~5 kW)
 - In 2024, there was a combined energy capacity of 29.3 MW reported.
 - Actual capacity is higher due to the self-reporting nature of applications and larger commercial systems (e.g. 50 kW). There are systems installed in 2024 that have not claimed the credit.



Qualifying Solar Project Tax Credit

- Utah Code 58-10-1024
- Nonrefundable tax credit for taxpayer who purchases a solar unit from a political subdivision.
- Amount is equal to 25% of the purchase price or \$2,000, whichever is less.
- To our knowledge, this credit has not been claimed within the past 8 years.
- According to the tax commission, many taxpayers mistakenly try to claim this credit for the RESTC. Because of this and the lack of activity in applications, the credit has been removed from the Utah return.



Production Tax Credit (PTC)

- Utah Code 59-7-614 & 59-10-1106
- Refundable credit for utility-scale (>660 kW) renewable energy projects.
 - Mostly solar PV, but can be for wind, geothermal, and biomass projects.
- Calculated as 0.35 cents per kWh produced.
- Credit lasts for the first 48 months of operation.

PTC Amounts*

Number of Projects Approved	46
Amount in Credits Approved	\$60,444,979
Avg Credit Amount	\$319,814

*Numbers are approximate due to changes in reporting and programs over the past few years.





Production Tax Credit (PTC)

- Combined Nameplate Capacity: 1,700 MW
- Average Nameplate Capacity size: 40.5 MW
 - This includes projects built before 2017, but are incorporated since they received credits between 2017-2023.
 - Most PTC projects are solar PV with only a few wind.
 - Not all utility scale renewable projects within Utah have applied for the credit, so the actual overall capacity is higher.
- Benefit: In 2023, utility solar, wind, geothermal, and hydroelectric projects in Utah produced 5,750 GWh of electricity. This has a carbon emission offset of approximately 1,564,892 metric tons. This is the equivalent of removing around 370,000 cars annually.

Sources: Utah Geological Survey and the U.S. Environmental Protection Agency



High-Cost Infrastructure Tax Credit (HCITC)

- Nonrefundable credit for large scale infrastructure improvements. Infrastructure must benefit local community and/or the state.
- Credit is calculated as 30% of infrastructure related revenue annually until 50% of the infrastructure cost is met (30% for tier III fuel compliance projects).

HCITC Amounts*

Number of Projects Approved	16
Estimated Amount in Credits Approved	\$322,382,845
Avg Credit Amount	\$20,148,928

*Numbers are approximate due to changes in reporting and programs over the past few years.



Alternative Energy Development Incentive (AEDI)

- Nonrefundable credit for qualifying projects that produce at least 2 MW of electricity, 1,000 daily oil barrel equivalence, or 50 daily barrels biomass fuel.
 - Qualifying projects range from renewable resources (e.g. solar, wind, etc.) to unconventional fossil fuel resources (e.g. oil shale, coal-to-liquids, etc.)
- Credit is calculated as a fixed post-performance credit of 75% of new eligible state revenues for 20 years.

AEDI Amounts*

Number of Projects Approved**	3 active
Amount in Credits Approved	\$494,370

*Numbers are approximate due to changes in reporting and programs over the past few years.

**Of the total 7 pre-approved projects, only 3 followed-through with the second application process and are thus considered "active".



Well Workover and Recompletion Severance Credit (WWR)

- Nonrefundable severance tax credit for oil and gas operators who perform well workovers or recompletions.
- Credit is processed by the Utah Division of Oil, Gas, and Mining.

WWR Amounts*

Number of Credits Approved	539
Amount in Credits	\$9,791,224
Avg Credit Amount	\$18,166

*Numbers are approximate due to changes in reporting and programs over the past few years.

