Part 6
Credits

59-7-601 Credit of interest income from state and federal securities.

(1) There shall be allowed as a credit against the tax an amount equal to 1% of the gross interest income included in state taxable income from:
  (a) bonds, notes, or other evidences of indebtedness issued by the state and its agencies and instrumentalities, and bonds, notes, or other evidences of indebtedness of any political subdivision as described in Section 11-14-303; and
  (b) stocks, notes, or obligations issued by, or guaranteed by the United States Government, or any of its agencies and instrumentalities as defined under federal law.
(2) Amounts otherwise qualifying for the credit, but not allowable because the credit exceeds the tax, may be carried back three years or may be carried forward five years as a credit against the tax. Such carryover credits shall be applied against the tax before the application of the credits earned in the current year and on a first-earned first-used basis.

Amended by Chapter 105, 2005 General Session

59-7-606 Tax credit -- Items using cleaner burning fuels.

(1) As used in this section, "board" means the Air Quality Board created under Title 19, Chapter 2, Air Conservation Act.
(2) For taxable years beginning on or after January 1, 1992, but prior to January 1, 2003, there is allowed a tax credit against tax otherwise due under this chapter in an amount equal to 10%, up to a maximum of $50, of the total of both the purchase cost and installation services cost of each pellet burning stove, high mass wood stove, and solid fuel burning device purchased and installed that is certified by the federal Environmental Protection Agency in accordance with test procedures prescribed in 40 C.F.R. Sec. 60.534, including purchase cost and installation service cost of natural gas or propane free standing fireplaces or inserts, but not including fireplace logs.
(3) A taxpayer shall provide proof of the purchase of an item for which a tax credit is allowed under this section by:
  (a) providing proof to the board in the form the board requires by rule;
  (b) receiving a written statement from the board acknowledging receipt of the proof; and
  (c) retaining the written statement described in Subsection (3)(b).
(4) The tax credit under this section is allowed only:
  (a) against any Utah tax owed in the taxable year by the taxpayer; and
  (b) for the taxable year in which the item is purchased for which the tax credit is claimed.

Amended by Chapter 198, 2003 General Session

59-7-607 Utah low-income housing tax credit.

(1) As used in this section:
  (a) "Allocation certificate" means a certificate in a form prescribed by the commission and issued by the corporation to a housing sponsor that specifies the aggregate amount of the tax credit awarded under this section to a qualified development and includes:
    (i) the aggregate annual amount of the tax credit awarded that may be claimed by one or more qualified taxpayers; and

(ii) the credit period over which the tax credit may be claimed by one or more qualified taxpayers.

(b) "Building" means a qualified low-income building as defined in Section 42(c), Internal Revenue Code.

(c) "Corporation" means the Utah Housing Corporation created in Section 63H-8-201.

(d) Except as provided in Subsection (5)(c), "credit period" means the same as that term is defined in Section 42(f)(1), Internal Revenue Code.

(e) "Designated reporter" means, as selected by a housing sponsor, the housing sponsor or one of the housing sponsor's direct or indirect partners, members, or shareholders that will provide information to the commission regarding the allocation of tax credits under this section.

(f) "Federal low-income housing tax credit" means the federal tax credit described in Section 42, Internal Revenue Code.

(g) "Housing sponsor" means an entity that owns a qualified development.

(h) "Pass-through entity" means the same as that term is defined in Section 59-10-1402.

(i)

(i) Subject to Subsection (1)(i)(ii), "pass-through entity taxpayer" means the same as that term is defined in Section 59-10-1402.

(ii) The determination of whether a pass-through entity taxpayer is considered a partner, member, or shareholder of a pass-through entity shall be made in accordance with applicable state law governing the pass-through entity.

(j) "Qualified allocation plan" means a qualified allocation plan adopted by the corporation in accordance with Section 42(m), Internal Revenue Code.

(k) "Qualified development" means a "qualified low-income housing project":

(i) as defined in Section 42(g)(1), Internal Revenue Code; and

(ii) that is located in the state.

(l)

(i) "Qualified taxpayer" means a person that:

(A) owns a direct interest or an indirect interest, through one or more pass-through entities, in a qualified development; and

(B) meets the requirements to claim a tax credit under this section.

(ii) "Qualified taxpayer" includes a pass-through entity taxpayer to which a tax credit under this section is passed through by a pass-through entity.

(2)

(a) A qualified taxpayer may claim a nonrefundable tax credit under this section against taxes otherwise due under this chapter, Chapter 8, Gross Receipts Tax on Certain Corporations Not Required to Pay Corporate Franchise or Income Tax Act, or Chapter 9, Taxation of Admitted Insurers.

(b) The tax credit shall be in an amount equal to the tax credit amount specified on the allocation certificate that the corporation issues to a housing sponsor under this section.

(c)

(i) For a calendar year beginning on or before December 31, 2016, the aggregate annual tax credit that the corporation may allocate for each year of the credit period pursuant to this section and Section 59-10-1010 is an amount equal to the product of:

(A) 12.5 cents; and

(B) the population of Utah.

(ii) For a calendar year beginning on or after January 1, 2017, but beginning on or before December 31, 2022, the aggregate annual tax credit that the corporation may allocate for

each year of the credit period pursuant to this section and Section 59-10-1010 is an amount equal to the product of:

(A) 34.5 cents; and

(B) the population of Utah.

(iii) For a calendar year beginning on or after January 1, 2023, but beginning on or before December 31, 2028, the aggregate annual tax credit that the corporation may allocate for each year of the credit period pursuant to this section and Section 59-10-1010 is $10,000,000.

(iv) For a calendar year beginning on or after January 1, 2024, in addition to the amount of annual tax credits available for allocation as described in Subsections (2)(c)(i) through (2)(c)(iii), the corporation shall have the following tax credit amounts available for allocation:

(A) any tax credits allocated in a calendar year that are subsequently returned to the corporation or recaptured by the corporation may be allocated in the following year, except no tax credits under this Subsection (2)(c)(iv) shall be allocated after December 31, 2028; and

(B) if the actual amount of tax credits allocated in a calendar year to qualified developments is less than the total amount of credits available to be allocated to qualified developments, the balance of the credits but no more than 15% of the total amount of credits available for allocation to qualified developments may be allocated by the corporation to qualified developments in the following calendar year, except no tax credits under this Subsection (2)(c)(iv) shall be allocated after December 31, 2028.

(v) For a calendar year beginning on or after January 1, 2029, the aggregate annual tax credit that the corporation may allocate for each year of the credit period pursuant to this section and Section 59-10-1010 is the amount described in Subsection (2)(c)(ii).

(vi) For purposes of this Subsection (2)(c), the population of Utah shall be determined in accordance with Section 146(j), Internal Revenue Code.

(d)

(i) Subject to Subsection (2)(d)(ii), a qualified taxpayer that is a pass-through entity may allocate a tax credit under this section to one or more of the pass-through entity's pass-through entity taxpayers in any manner agreed upon, regardless of whether:

(A) the pass-through entity taxpayer is eligible to claim any portion of a federal low-income housing tax credit for the qualified development;

(B) the allocation of the tax credit has substantial economic effect within the meaning of Section 704(b), Internal Revenue Code; or

(C) the pass-through entity taxpayer is considered a partner for federal income tax purposes.

(ii) With respect to a tax year, a qualified taxpayer that is a pass-through entity taxpayer may claim a tax credit allocated to the qualified taxpayer by a pass-through entity under Subsection (2)(d)(i) so long as the qualified taxpayer's ownership interest in the pass-through entity is:

(A) acquired on or before December 31 of the tax year to which the tax credit relates; and

(B) reflected in the report required in Subsection (6)(b) for the tax year to which the tax credit relates.

(e) If a qualified taxpayer that is a pass-through entity taxpayer assigns to another taxpayer the pass-through entity taxpayer's ownership interest in a pass-through entity, including the pass-through entity taxpayer's interest in the tax credit associated with the ownership interest, the assignee shall be considered a qualified taxpayer and may claim the tax credit so long as the assignee's ownership interest in the pass-through entity is:

(i) acquired on or before December 31 of the tax year to which the tax credit relates; and

(ii) reflected in the report required in Subsection (6)(b) for the tax year to which the tax credit relates.

(3)

(a) The corporation shall determine criteria and procedures for allocating the tax credit under this section and Section 59-10-1010 and incorporate the criteria and procedures into the corporation's qualified allocation plan.

(b) The corporation shall create the criteria under Subsection (3)(a) based on:

(i) the number of affordable housing units to be created in Utah for low and moderate income persons in a qualified development;

(ii) the level of area median income being served by a qualified development;

(iii) the need for the tax credit for the economic feasibility of a qualified development; and

(iv) the extended period for which a qualified development commits to remain as affordable housing.

(4) Any housing sponsor may apply to the corporation for a tax credit allocation under this section.

(5)

(a)

(i) The corporation shall determine the amount of the tax credit to allocate to a qualified development in accordance with the qualified allocation plan.

(ii)

(A) Before the allocation certificate is issued to the housing sponsor, the corporation shall send to the housing sponsor written notice of the corporation's preliminary determination of the tax credit amount to be allocated to the qualified development.

(B) The notice described in Subsection (5)(a)(ii)(A) shall specify the corporation's preliminary determination of the tax credit amount to be allocated to the qualified development for each year of the credit period and state that allocation of the tax credit is contingent upon the issuance of an allocation certificate.

(iii) Upon approving a final cost certification in accordance with the qualified allocation plan, the corporation shall issue an allocation certificate to the housing sponsor as evidence of the allocation.

(iv) The amount of the tax credit specified in an allocation certificate may not exceed 100% of the federal low-income housing tax credit awarded to a qualified development.

(b)

(i) Notwithstanding Subsection (5)(a), if a housing sponsor applies to the corporation for a tax credit under this section and an allocation certificate is not yet issued, a qualified taxpayer may claim a tax credit based upon the corporation's preliminary determination of the tax credit amount as stated in the notice under Subsection (5)(a)(ii).

(ii) Upon issuance of the allocation certificate to the housing sponsor, a qualified taxpayer that claims a tax credit under this Subsection (5)(b) shall file an amended tax return to adjust the tax credit amount if the amount previously claimed by the qualified taxpayer is different than the amount specified in the allocation certificate.

(c) The amount of tax credit that may be claimed in the first year of the credit period may not be reduced as a result of the calculation in Section 42(f)(2), Internal Revenue Code.

(d) On or before January 31 of each year, the corporation shall provide to the commission in a form prescribed by the commission a report that describes each allocation certificate that the corporation issued during the previous calendar year.

(6)

(a) A housing sponsor shall provide to the commission identification of the housing sponsor's designated reporter.

(b) For each tax year in which a tax credit is claimed under this section, the designated reporter shall provide to the commission in a form prescribed by the commission:
(i) a list of each qualified taxpayer that has been allocated a portion of the tax credit awarded in the allocation certificate for that tax year;
(ii) the amount of tax credit that has been allocated to each qualified taxpayer described in Subsection (6)(b)(i) for that tax year; and
(iii) any other information, as prescribed by the commission, to demonstrate that the aggregate annual amount of tax credits allocated to all qualified taxpayers for that tax year does not exceed the aggregate annual tax credit amount specified in the allocation certificate.

(7)
(a) All elections made by a housing sponsor pursuant to Section 42, Internal Revenue Code, shall apply to this section.
(b)
(i) If a qualified development is required to recapture a portion of any federal low-income housing tax credit, then each qualified taxpayer that has been allocated a portion of a tax credit under this section shall also be required to recapture a portion of the tax credit under this section.
(ii) The state recapture amount shall be equal to the percentage of the state tax credit that equals the proportion the federal recapture amount bears to the original federal low-income housing tax credit amount subject to recapture.
(iii) The designated reporter shall identify each qualified taxpayer that is required to recapture a portion of any state tax credit as described in this Subsection (7)(b).

(8)
(a) Any tax credits returned to the corporation in any year may be reallocated within the same time period as provided in Section 42, Internal Revenue Code.
(b) Tax credits that are unallocated by the corporation in any year may be carried over for allocation in subsequent years.

(9)
(a) If a tax credit is not claimed by a qualified taxpayer in the year in which it is earned because the tax credit is more than the tax owed by the qualified taxpayer, the tax credit may be carried back three years or may be carried forward five years as a credit against the tax.
(b) Carryover tax credits under Subsection (9)(a) shall be applied against the tax:
(i) before the application of the tax credits earned in the current year; and
(ii) on a first-earned first-used basis.

(10) Any tax credit taken in this section may be subject to an annual audit by the commission.

(11) The corporation shall annually provide an electronic report to the Revenue and Taxation Interim Committee that includes:
(a) the purpose and effectiveness of the tax credits;
(b) any recommendations for legislative changes to the aggregate tax credit amount that the corporation is authorized to allocate each year under Subsection (2)(c); and
(c) the benefits of the tax credits to the state.

(12) The commission may, in consultation with the corporation, make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to implement this section.

(13)
(a) Beginning in 2026, and every three years thereafter, the Revenue and Taxation Interim Committee shall conduct a review of the aggregate tax credit amount that the corporation is authorized to allocate and has allocated each year under Subsection (2)(c).
(b) In a review under this Subsection (13), the Revenue and Taxation Interim Committee shall:

(i) study any recommendations provided by the corporation under Subsection (11)(b); and
(ii) if the Revenue and Taxation Interim Committee decides to recommend legislative action to the Legislature, prepare legislation for consideration by the Legislature in the next general session.

Amended by Chapter 413, 2024 General Session

59-7-609 Historic preservation credit.

(1)
(a) For tax years beginning January 1, 1993, and thereafter, there is allowed to a taxpayer subject to Section 59-7-104, as a credit against the tax due, an amount equal to 20% of qualified rehabilitation expenditures, costing more than $10,000, incurred in connection with any residential certified historic building. When qualifying expenditures of more than $10,000 are incurred, the credit allowed by this section shall apply to the full amount of expenditures.
(b) All rehabilitation work to which the credit may be applied shall be approved by the State Historic Preservation Office prior to completion of the rehabilitation project as meeting the Secretary of the Interior's Standards for Rehabilitation so that the office can provide corrective comments to the taxpayer in order to preserve the historical qualities of the building.
(c) Any amount of credit remaining may be carried forward to each of the five taxable years following the qualified expenditures.
(d) The commission, in consultation with the State Historic Preservation Office, shall promulgate rules to implement this section.
(2) As used in this section:
(a) "Certified historic building" means a building that is listed on the National Register of Historic Places within three years of taking the credit under this section or that is located in a National Register Historic District and the building has been designated by the State Historic Preservation Office as being of significance to the district.
(b)
(i) "Qualified rehabilitation expenditures" means any amount properly chargeable to the rehabilitation and restoration of the physical elements of the building, including the historic decorative elements, and the upgrading of the structural, mechanical, electrical, and plumbing systems to applicable codes.
(ii) "Qualified rehabilitation expenditures" does not include expenditures related to:
(A) the taxpayer's personal labor;
(B) cost of acquisition of the property;
(C) any expenditure attributable to the enlargement of an existing building;
(D) rehabilitation of a certified historic building without the approval required in Subsection (1)(b); or
(E) any expenditure attributable to landscaping and other site features, outbuildings, garages, and related features.
(c) "Residential" means a building used for residential use, either owner occupied or income producing.

Amended by Chapter 160, 2023 General Session

59-7-610 Recycling market development zones tax credits.

(1) Subject to other provisions of this section, a taxpayer that is a business operating in a recycling market development zone as defined in Section 19-13-102 may claim the following nonrefundable tax credits:
(a) a tax credit equal to the product of the percentage listed in Subsection 59-7-104(2) and the purchase price paid for machinery and equipment used directly in:
(i) commercial composting; or
(ii) manufacturing facilities or plant units that:
(A) manufacture, process, compound, or produce recycled items of tangible personal property for sale; or
(B) reduce or reuse postconsumer waste material; and
(b) a tax credit equal to the lesser of:
(i) 20% of net expenditures to third parties for rent, wages, supplies, tools, test inventory, and utilities made by the taxpayer for establishing and operating recycling or composting technology in the state; and
(ii) $2,000.
(2)
(a) To claim a tax credit described in Subsection (1), the taxpayer shall receive from the Department of Environmental Quality a written certification, on a form approved by the commission, that includes:
(i) a statement that the taxpayer is operating a business within the boundaries of a recycling market development zone;
(ii) for a claim of the tax credit described in Subsection (1)(a):
(A) the type of the machinery and equipment that the taxpayer purchased;
(B) the date that the taxpayer purchased the machinery and equipment;
(C) the purchase price for the machinery and equipment;
(D) the total purchase price for all machinery and equipment for which the taxpayer is claiming a tax credit;
(E) a statement that the machinery and equipment are integral to the composting or recycling process; and
(F) the amount of the taxpayer's tax credit; and
(iii) for a claim of the tax credit described in Subsection (1)(b):
(A) the type of net expenditure that the taxpayer made to a third party;
(B) the date that the taxpayer made the payment to a third party;
(C) the amount that the taxpayer paid to each third party;
(D) the total amount that the taxpayer paid to all third parties;
(E) a statement that the net expenditures support the establishment and operation of recycling or composting technology in the state; and
(F) the amount of the taxpayer's tax credit.
(b)
(i) The Department of Environmental Quality shall provide a taxpayer seeking to claim a tax credit under Subsection (1) with a copy of the written certification.
(ii) The taxpayer shall retain a copy of the written certification for the same period of time that a person is required to keep books and records under Section 59-1-1406.
(c) The Department of Environmental Quality shall submit to the commission an electronic list that includes:
(i) the name and identifying information of each taxpayer to which the Department of Environmental Quality issues a written certification; and
(ii) for each taxpayer, the amount of each tax credit listed on the written certification.

(3) A taxpayer may not claim a tax credit under Subsection (1)(a), Subsection (1)(b), or both that exceeds 40% of the taxpayer's state income tax liability as the tax liability is calculated:
(a) for the taxable year in which the taxpayer made the purchases or payments;
(b) before any other tax credits the taxpayer may claim for the taxable year; and
(c) before the taxpayer claims a tax credit authorized by this section.
(4) The commission shall make rules governing what information a taxpayer shall file with the commission to verify the entitlement to and amount of a tax credit.
(5) Except as provided in Subsections (6) through (8), a taxpayer may carry forward, to the next three taxable years, the amount of a tax credit described in Subsection (1)(a) that the taxpayer does not use for the taxable year.
(6) A taxpayer may not claim or carry forward a tax credit described in Subsection (1)(a) in a taxable year during which the taxpayer claims or carries forward a tax credit under Section 63N-2-213.
(7) A taxpayer may not claim a tax credit described in Subsection (1)(b) in a taxable year during which the taxpayer claims or carries forward a tax credit under Section 63N-2-213.

Amended by Chapter 367, 2021 General Session

59-7-612 Tax credits for research activities conducted in the state -- Carry forward -- Commission to report modification or repeal of certain federal provisions -- Revenue and Taxation Interim Committee study.

(1)
(a) A taxpayer meeting the requirements of this section may claim the following nonrefundable tax credits:
(i) a research tax credit of 5% of the taxpayer's qualified research expenses for the current taxable year that exceed the base amount provided for under Subsection (4);
(ii) a tax credit for a payment to a qualified organization for basic research as provided in Section 41(e), Internal Revenue Code, of 5% for the current taxable year that exceed the base amount provided for under Subsection (4); and
(iii) a tax credit equal to 7.5% of the taxpayer's qualified research expenses for the current taxable year.
(b) Subject to Subsection (5), a taxpayer may claim a tax credit under:
(i) Subsection (1)(a)(i) or (1)(a)(iii), for the taxable year for which the taxpayer incurs the qualified research expenses; or
(ii) Subsection (1)(a)(ii), for the taxable year for which the taxpayer makes the payment to the qualified organization.
(c) The tax credits provided for in this section do not include the alternative incremental credit provided for in Section 41(c)(4), Internal Revenue Code.
(2) For purposes of claiming a tax credit under this section, a unitary group as defined in Section 59-7-101 is considered to be one taxpayer.
(3) Except as specifically provided for in this section:
(a) the tax credits authorized under Subsection (1) shall be calculated as provided in Section 41, Internal Revenue Code; and
(b) the definitions provided in Section 41, Internal Revenue Code, apply in calculating the tax credits authorized under Subsection (1).
(4) For purposes of this section:
(a) the base amount shall be calculated as provided in Sections 41(c) and 41(h), Internal Revenue Code, except that:

(i) the base amount does not include the calculation of the alternative incremental credit provided for in Section 41(c)(4), Internal Revenue Code;
(ii) a taxpayer's gross receipts include only those gross receipts attributable to sources within this state as provided in Part 3, Allocation and Apportionment of Income - Utah UDITPA Provisions; and
(iii) notwithstanding Section 41(c), Internal Revenue Code, for purposes of calculating the base amount, a taxpayer:
(A) may elect to be treated as a start-up company as provided in Section 41(c)(3)(B) regardless of whether the taxpayer meets the requirements of Section 41(c)(3)(B)(i)(I) or (II); and
(B) may not revoke an election to be treated as a start-up company under Subsection (4)(a)(iii)(A);
(b) "basic research" is as defined in Section 41(e)(7), Internal Revenue Code, except that the term includes only basic research conducted in this state;
(c) "qualified research" is as defined in Section 41(d), Internal Revenue Code, except that the term includes only qualified research conducted in this state;
(d) "qualified research expenses" is as defined and calculated in Section 41(b), Internal Revenue Code, except that the term includes only:
(i) in-house research expenses incurred in this state; and
(ii) contract research expenses incurred in this state; and
(e) a tax credit provided for in this section is not terminated if a credit terminates under Section 41, Internal Revenue Code.

(5)
(a) If the amount of a tax credit claimed by a taxpayer under Subsection (1)(a)(i) or (ii) exceeds the taxpayer's tax liability under this chapter for a taxable year, the amount of the tax credit exceeding the tax liability:
(i) may be carried forward for a period that does not exceed the next 14 taxable years; and
(ii) may not be carried back to a taxable year preceding the current taxable year.
(b) A taxpayer may not carry forward the tax credit allowed by Subsection (1)(a)(iii).

(6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules for purposes of this section prescribing a certification process for qualified organizations to ensure that amounts paid to the qualified organizations are for basic research conducted in this state.

(7) If a provision of Section 41, Internal Revenue Code, is modified or repealed, the commission shall provide an electronic report of the modification or repeal to the Revenue and Taxation Interim Committee within 60 days after the day on which the modification or repeal becomes effective.

(8)
(a) The Revenue and Taxation Interim Committee shall review the tax credits provided for in this section on or before October 1 of the year after the year in which the commission reports under Subsection (7) a modification or repeal of a provision of Section 41, Internal Revenue Code.
(b) The review described in Subsection (8)(a) is in addition to the review required by Section 59-7-159.
(c) Notwithstanding Subsection (8)(a), the Revenue and Taxation Interim Committee is not required to review the tax credits provided for in this section if the only modification to a provision of Section 41, Internal Revenue Code, is the extension of the termination date provided for in Section 41(h), Internal Revenue Code.

(d) The Revenue and Taxation Interim Committee shall address in a review under this section:
(i) the cost of the tax credits provided for in this section;
(ii) the purpose and effectiveness of the tax credits provided for in this section;
(iii) whether the tax credits provided for in this section benefit the state; and
(iv) whether the tax credits provided for in this section should be:
(A) continued;
(B) modified; or
(C) repealed.
(e) If the Revenue and Taxation Interim Committee reviews the tax credits provided for in this section, the committee shall issue a report of the Revenue and Taxation Interim Committee's findings.

Amended by Chapter 1, 2016 Special Session 3

Superseded 1/1/2026

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
(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) "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.
(c) "Clean energy source" means the same as that term is defined in Section 54-17-601.
(d) "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;
(E) a geothermal heat pump system;
(F) a hydroenergy system;
(G) a passive solar system; or
(H) a wind system;
(ii) located in the state; and
(iii) used:
(A) to supply energy to a commercial unit; or
(B) as a commercial enterprise.
(e) "Commercial enterprise" means an entity, the purpose of which is to produce:
(i) electrical, mechanical, or thermal energy for sale from a commercial energy system; or
(ii) hydrogen for sale from a hydrogen production system.
(f)

(i) "Commercial unit" means a building or structure, other than a residence, that an entity uses to transact business.
(ii) Notwithstanding Subsection (1)(f)(i):
(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
(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.
(g) "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.
(h) "Geothermal electricity" means energy that is:
(i) contained in heat that continuously flows outward from the earth; and
(ii) used as a sole source of energy to produce electricity.
(i) "Geothermal energy" means energy generated by heat that is contained in the earth.
(j) "Geothermal heat pump system" means a system of apparatus and equipment that:
(i) enables the use of thermal properties contained in the earth at temperatures well below 100 degrees Fahrenheit; and
(ii) helps meet heating and cooling needs of a structure.
(k) "Hydroenergy system" means a system of apparatus and equipment that is capable of:
(i) intercepting and converting kinetic water energy into electrical or mechanical energy; and
(ii) transferring this form of energy by separate apparatus to the point of use or storage.
(l) "Hydrogen production system" means a system of apparatus and equipment, located in this state, that uses:
(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
(ii) uses renewable natural gas to produce hydrogen gas.
(m) "Office" means the Office of Energy Development created in Section 79-6-401.
(n)
(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.
(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.
(o) "Photovoltaic system" means an active solar system that generates electricity from sunlight.
(p)
(i) "Principal recovery portion" means the portion of a lease payment that constitutes the cost a person incurs in acquiring a commercial energy system.
(ii) "Principal recovery portion" does not include:
(A) an interest charge; or
(B) a maintenance expense.
(q) "Residential energy system" means the following used to supply energy to or for a residential unit:
(i) an active solar system;
(ii) a biomass system;
(iii) a direct use geothermal system;

(iv) a geothermal heat pump system;
(v) a hydroenergy system;
(vi) a passive solar system; or
(vii) a wind system.

(r)
(i) "Residential unit" means a house, condominium, apartment, or similar dwelling unit that:
(A) is located in the state; and
(B) serves as a dwelling for a person, group of persons, or a family.
(ii) "Residential unit" does not include property subject to a fee under:
(A) Section 59-2-405;
(B) Section 59-2-405.1;
(C) Section 59-2-405.2;
(D) Section 59-2-405.3; or
(E) Section 72-10-110.5.

(s) "Wind system" means a system of apparatus and equipment that is capable of:
(i) intercepting and converting wind energy into mechanical or electrical energy; and
(ii) transferring these forms of energy by a separate apparatus to the point of use, sale, or storage.

(2) A taxpayer may claim an energy system tax credit as provided in this section against a tax due under this chapter for an energy system that is completed and placed in service before January 1, 2028.

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

(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.
(ii) A tax credit under this Subsection (3) may include installation costs.
(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.
(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.

(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.

(d) The total amount of tax credit a taxpayer may claim under this Subsection (3) for a photovoltaic system may not exceed:
(i) for a system installed on or after January 1, 2018, but on or before December 31, 2020, $1,600;

(ii) for a system installed on or after January 1, 2021, but on or before December 31, 2021, $1,200;
(iii) for a system installed on or after January 1, 2022, but on or before December 31, 2022, $800;
(iv) for a system installed on or after January 1, 2023, but on or before December 31, 2023, $400; and
(v) for a system installed on or after January 1, 2024, $0.
(e) If a taxpayer sells a residential unit to another person before the taxpayer claims the tax credit under this Subsection (3):
(i) the taxpayer may assign the tax credit to the other person; and
(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
(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.
(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:
(i) the commercial energy system does not use:
(A) wind, geothermal electricity, solar, or biomass equipment capable of producing a total of 660 or more kilowatts of electricity; or
(B) solar equipment capable of producing 2,000 or more kilowatts of electricity;
(ii) the taxpayer purchases or participates in the financing of the commercial energy system;
(iii)
(A) the commercial energy system supplies all or part of the energy required by commercial units owned or used by the taxpayer; or
(B) the taxpayer sells all or part of the energy produced by the commercial energy system as a commercial enterprise;
(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
(v) the taxpayer obtains a written certification from the office in accordance with Subsection (8).
(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.
(ii) A tax credit under this Subsection (4) may include installation costs.
(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.
(iv) The total amount of tax credit a taxpayer may claim under this Subsection (4) may not exceed $50,000 per commercial unit.
(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.
(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.

(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.

(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:

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

(ii)

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

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

(iii) 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

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

(b)

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

(A) 0.35 cents; and

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

(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.

(c) 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.

(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:

(i) the taxpayer owns a commercial energy system that uses solar equipment capable of producing a total of 660 or more kilowatts of electricity;

(ii)

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

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

(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

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

(b)

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

(A) 0.35 cents; and

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

(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.

(c) 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.

(7)

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

(i) the taxpayer owns a hydrogen production system;

(ii) the hydrogen production system is completed and placed in service on or after January 1, 2022;

(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;

(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

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

(b)

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

(A) $0.12; and

(B) the number of kilograms of hydrogen produced during the taxable year.

(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.

(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.

(8)

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

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

(i) the taxpayer meets the requirements of this section to receive a tax credit; and

(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:

(A) has been completely installed;

(B) is a viable system for saving or producing energy from clean resources; and

(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.

(c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the office may make rules:

(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

(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.

(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.
(e) The office shall submit to the commission an electronic list that includes:
(i) the name and identifying information of each taxpayer to which the office issues a written certification; and
(ii) for each taxpayer:
(A) the amount of the tax credit listed on the written certification; and
(B) the date the clean energy system was installed.
(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.
(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.
(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.

Amended by Chapter 182, 2025 General Session
Amended by Chapter 233, 2025 General Session

Effective 1/1/2026
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
(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.
(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.
(d) "Clean energy source" means the same as that term is defined in Section 54-17-601.
(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;
(E) a geothermal heat pump system;
(F) a hydroenergy system;

(G) a passive solar system; or
(H) a wind system;
(ii) located in the state; and
(iii) used:
(A) to supply energy to a commercial unit; or
(B) as a commercial enterprise.
(f) "Commercial enterprise" means an entity, the purpose of which is to produce:
(i) electrical, mechanical, or thermal energy for sale from a commercial energy system; or
(ii) hydrogen for sale from a hydrogen production system.
(g)
(i) "Commercial unit" means a building or structure, other than a residence, that an entity uses to transact business.
(ii) Notwithstanding Subsection (1)(g)(i):
(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
(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.
(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.
(i) "Dispatchable" means the same as that term is defined in Section 79-6-102.
(j) "Geothermal electricity" means energy that is:
(i) contained in heat that continuously flows outward from the earth; and
(ii) used as a sole source of energy to produce electricity.
(k) "Geothermal energy" means energy generated by heat that is contained in the earth.
(l) "Geothermal heat pump system" means a system of apparatus and equipment that:
(i) enables the use of thermal properties contained in the earth at temperatures well below 100 degrees Fahrenheit; and
(ii) helps meet heating and cooling needs of a structure.
(m) "Hydroenergy system" means a system of apparatus and equipment that is capable of:
(i) intercepting and converting kinetic water energy into electrical or mechanical energy; and
(ii) transferring this form of energy by separate apparatus to the point of use or storage.
(n) "Hydrogen production system" means a system of apparatus and equipment, located in this state, that uses:
(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
(ii) uses renewable natural gas to produce hydrogen gas.
(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.
(p) "Office" means the Office of Energy Development created in Section 79-6-401.
(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.

(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.

(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.

(s) "Photovoltaic system" means an active solar system that generates electricity from sunlight.

(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.

(ii) "Principal recovery portion" does not include:

(A) an interest charge; or

(B) a maintenance expense.

(u) "Reliable" means the same as that term is defined in Section 79-6-102.

(v) "Residential energy system" means the following used to supply energy to or for a residential unit:

(i) an active solar system;

(ii) a biomass system;

(iii) a direct use geothermal system;

(iv) a geothermal heat pump system;

(v) a hydroenergy system;

(vi) a passive solar system; or

(vii) a wind system.

(w)

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

(A) is located in the state; and

(B) serves as a dwelling for a person, group of persons, or a family.

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

(A) Section 59-2-405;

(B) Section 59-2-405.1;

(C) Section 59-2-405.2;

(D) Section 59-2-405.3; or

(E) Section 72-10-110.5.

(x) "Wind system" means a system of apparatus and equipment that is capable of:

(i) intercepting and converting wind energy into mechanical or electrical energy; and

(ii) transferring these forms of energy by a separate apparatus to the point of use, sale, or storage.

(2) A taxpayer may claim an energy system tax credit as provided in this section against a tax due under this chapter for an energy system that is completed and placed in service before January 1, 2028.

(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:

(i) the taxpayer:

(A) purchases and completes a residential energy system to supply all or part of the energy required for the residential unit; or

(B) participates in the financing of a residential energy system to supply all or part of the energy required for the residential unit; and

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

(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.
(ii) A tax credit under this Subsection (3) may include installation costs.
(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.
(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.
(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.
(d) The total amount of tax credit a taxpayer may claim under this Subsection (3) for a photovoltaic system may not exceed:
(i) for a system installed on or after January 1, 2018, but on or before December 31, 2020, $1,600;
(ii) for a system installed on or after January 1, 2021, but on or before December 31, 2021, $1,200;
(iii) for a system installed on or after January 1, 2022, but on or before December 31, 2022, $800;
(iv) for a system installed on or after January 1, 2023, but on or before December 31, 2023, $400; and
(v) for a system installed on or after January 1, 2024, $0.
(e) If a taxpayer sells a residential unit to another person before the taxpayer claims the tax credit under this Subsection (3):
(i) the taxpayer may assign the tax credit to the other person; and
(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
(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.

(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:
(i) the commercial energy system does not use:
(A) wind, geothermal electricity, solar, or biomass equipment capable of producing a total of 660 or more kilowatts of electricity; or
(B) solar equipment capable of producing 2,000 or more kilowatts of electricity;
(ii) the taxpayer purchases or participates in the financing of the commercial energy system;
(iii)
(A) the commercial energy system supplies all or part of the energy required by commercial units owned or used by the taxpayer; or
(B) the taxpayer sells all or part of the energy produced by the commercial energy system as a commercial enterprise;

(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

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

(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.

(ii) A tax credit under this Subsection (4) may include installation costs.

(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.

(iv) The total amount of tax credit a taxpayer may claim under this Subsection (4) may not exceed $50,000 per commercial unit.

(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.

(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.

(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.

(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:

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

(ii)

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

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

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

(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

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

(b)

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

(A) 0.35 cents; and

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

(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.

(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.

(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.

(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.

(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:

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

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

(B) includes adequate energy storage;

(ii)

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

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

(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

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

(b)

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

(A) 0.35 cents; and

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

(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.

(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.

(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.

(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.

(7)

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

(i) the taxpayer owns a hydrogen production system;

(ii) the hydrogen production system is completed and placed in service on or after January 1, 2022;

(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;

(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

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

(b)

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

(A) $0.12; and

(B) the number of kilograms of hydrogen produced during the taxable year.

(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.

(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.

(8)

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

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

(i) the taxpayer meets the requirements of this section to receive a tax credit; and

(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:

(A) has been completely installed;

(B) is a viable system for saving or producing energy from clean resources; and

(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.

(c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the office may make rules:

(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

(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.

(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.

(e) The office shall submit to the commission an electronic list that includes:

(i) the name and identifying information of each taxpayer to which the office issues a written certification; and

(ii) for each taxpayer:

(A) the amount of the tax credit listed on the written certification; and

(B) the date the clean energy system was installed.

(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.

(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.

(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.

Amended by Chapter 333, 2025 General Session

59-7-614.1 Refundable tax credit for hand tools used in farming operations -- Procedures for refund -- Transfers from General Fund to Income Tax Fund -- Rulemaking authority.

(1) For a taxable year beginning on or after January 1, 2004, a taxpayer may claim a refundable tax credit:
  (a) as provided in this section;
  (b) against taxes otherwise due under this chapter; and
  (c) in an amount equal to the amount of tax the taxpayer pays:
    (i) on a purchase of a hand tool:
      (A) if the purchase is made on or after July 1, 2004;
      (B) if the hand tool is used or consumed primarily and directly in a farming operation in the state; and
      (C) if the unit purchase price of the hand tool is more than $250; and
    (ii) under Chapter 12, Sales and Use Tax Act, on the purchase described in Subsection (1)(c)(i).

(2) A taxpayer:
  (a) shall retain the following to establish the amount of tax the resident or nonresident individual paid under Chapter 12, Sales and Use Tax Act, on the purchase described in Subsection (1)(c)(i):
    (i) a receipt;
    (ii) an invoice; or
    (iii) a document similar to a document described in Subsection (2)(a)(i) or (ii); and
  (b) may not carry forward or carry back a tax credit under this section.

(3)
  (a) In accordance with any rules prescribed by the commission under Subsection (3)(b):
    (i) the commission shall make a refund to a taxpayer that claims a tax credit under this section if the amount of the tax credit exceeds the taxpayer's tax liability under this chapter; and
    (ii) the Division of Finance shall transfer at least annually from the General Fund into the Income Tax Fund an amount equal to the amount of tax credit claimed under this section.
  (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules providing procedures for making:
    (i) a refund to a taxpayer as required by Subsection (3)(a)(i); or
    (ii) transfers from the General Fund into the Income Tax Fund as required by Subsection (3)(a)(ii).

Amended by Chapter 456, 2022 General Session

59-7-614.2 Refundable economic development tax credit.

(1) As used in this section:
  (a) "Business entity" means a taxpayer that meets the definition of "business entity" as defined in Section 63N-2-103.
  (b) "Incremental job" means the same as that term is defined in Section 63N-1a-102.
  (c) "New state revenue" means the same as that term is defined in Section 63N-1a-102.
  (d) "Office" means the Governor's Office of Economic Opportunity.

(2) Subject to the other provisions of this section, a business entity may claim a refundable tax credit for economic development.

(3) The tax credit under this section is the amount listed as the tax credit amount on the tax credit certificate that the office issues to the business entity for the taxable year.

(4)

(a) In accordance with any rules prescribed by the commission under Subsection (4)(b), the commission shall make a refund to a business entity that claims a tax credit under this section if the amount of the tax credit exceeds the business entity's tax liability for a taxable year.
(b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules providing procedures for making a refund to a business entity as required by Subsection (4)(a).
(5)
(a) To assist the Revenue and Taxation Interim Committee with the review required by Section 59-7-159, the office shall provide the following information, if available to the office, to the Revenue and Taxation Interim Committee by electronic means:
(i) the amount of tax credit that the office grants to each business entity for each calendar year;
(ii) the criteria that the office uses in granting a tax credit;
(iii) the new state revenue generated by the business entity for the calendar year;
(iv) estimates for each of the next three calendar years of the following:
(A) the amount of tax credits that the office will grant;
(B) the amount of new state revenue that will be generated; and
(C) the number of new incremental jobs within the state that will be generated;
(v) the information contained in the office's latest report under Section 63N-2-106; and
(vi) any other information that the Revenue and Taxation Interim Committee requests.
(b) In providing the information described in Subsection (5)(a), the office shall redact information that identifies a recipient of a tax credit under this section.
(c) If, notwithstanding the redactions made under Subsection (5)(b), reporting the information described in Subsection (5)(a) might disclose the identity of a recipient of a tax credit, the office may file a request with the Revenue and Taxation Interim Committee to provide the information described in Subsection (5)(a) in the aggregate for all business entities that receive the tax credit under this section.

Amended by Chapter 292, 2025 General Session

59-7-614.4 Tax credit for pass-through entity taxpayer.
(1) As used in this section:
(a) "Pass-through entity" is as defined in Section 59-10-1402.
(b) "Pass-through entity taxpayer" is as defined in Section 59-10-1402.
(2) A pass-through entity taxpayer may claim a refundable tax credit against the tax otherwise due under this chapter.
(3) The tax credit described in Subsection (2) is equal to the amount paid or withheld by the pass-through entity on behalf of the pass-through entity taxpayer described in Subsection (2) in accordance with Section 59-10-1403.2.
(4) A pass-through entity taxpayer may not claim a tax credit under this section for an amount for which the pass-through entity taxpayer claims a tax credit under Section 59-10-1103.

Enacted by Chapter 312, 2009 General Session

59-7-614.5 Refundable motion picture tax credit.
(1) As used in this section:
(a) "Motion picture company" means a taxpayer that meets the definition of a motion picture company under Section 63N-8-102.

(b) "Office" means the Governor's Office of Economic Opportunity created in Section 63N-1a-301.
(c) "State-approved production" means the same as that term is defined in Section 63N-8-102.
(2) A motion picture company may claim a refundable tax credit for a state-approved production.
(3) The tax credit under this section is the amount listed as the tax credit amount on the tax credit certificate that the office issues to a motion picture company under Section 63N-8-103 for the taxable year.
(4)
(a) In accordance with any rules prescribed by the commission under Subsection (4)(b), the commission shall make a refund to a motion picture company that claims a tax credit under this section if the amount of the tax credit exceeds the motion picture company's tax liability for a taxable year.
(b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules providing procedures for making a refund to a motion picture company as required by Subsection (4)(a).
(5)
(a)
(i) To assist the Revenue and Taxation Interim Committee with the review required by Section 59-7-159, the office shall provide the following information, if available to the office, to the Office of the Legislative Fiscal Analyst by electronic means:
(A) the amount of tax credit that the office grants to each motion picture company for each calendar year;
(B) estimates of the amount of tax credit that the office will grant for each of the next three calendar years;
(C) the criteria that the office uses in granting the tax credit;
(D) the dollars left in the state, as defined in Section 63N-8-102, by each motion picture company for each calendar year;
(E) the information contained in the office's latest report under Section 63N-1a-306; and
(F) any other information that the Office of the Legislative Fiscal Analyst requests.
(ii) In providing the information described in Subsection (5)(a)(i), the office shall redact information that identifies a recipient of a tax credit under this section.
(iii) If, notwithstanding the redactions made under Subsection (5)(a)(ii), reporting the information described in Subsection (5)(a)(i) might disclose the identity of a recipient of a tax credit, the office may file a request with the Revenue and Taxation Interim Committee to provide the information described in Subsection (5)(a)(i) in the aggregate for all motion picture companies that receive the tax credit under this section.
(b) The Office of the Legislative Fiscal Analyst shall report to the Revenue and Taxation Interim Committee a summary and analysis of the information provided to the Office of the Legislative Fiscal Analyst by the office under Subsection (5)(a).

Amended by Chapter 292, 2025 General Session

59-7-618.1 Tax credit related to alternative fuel heavy duty vehicles.
(1) As used in this section:
(a) "Board" means the Air Quality Board created under Title 19, Chapter 2, Air Conservation Act.
(b) "Director" means the director of the Division of Air Quality appointed under Section 19-2-107.
(c) "Heavy duty vehicle" means a commercial category 7 or 8 vehicle, according to vehicle classifications established by the Federal Highway Administration.

(d) "Natural gas" includes compressed natural gas and liquified natural gas.
(e) "Qualified heavy duty vehicle" means a heavy duty vehicle that:
(i) has never been titled or registered and has been driven less than 7,500 miles; and
(ii) is fueled by natural gas, has a 100% electric drivetrain, or has a hydrogen-electric drivetrain.
(f) "Qualified purchase" means the purchase of a qualified heavy duty vehicle.
(g) "Qualified taxpayer" means a taxpayer that:
(i) purchases a qualified heavy duty vehicle; and
(ii) receives a tax credit certificate from the director.
(h) "Small fleet" means 40 or fewer heavy duty vehicles registered in the state and owned by a single taxpayer.
(i) "Tax credit certificate" means a certificate issued by the director certifying that a taxpayer is entitled to a tax credit as provided in this section and stating the amount of the tax credit.
(2) A qualified taxpayer may claim a nonrefundable tax credit against tax otherwise due under this chapter or Chapter 8, Gross Receipts Tax on Certain Corporations Not Required to Pay Corporate Franchise or Income Tax Act:
(a) in an amount equal to:
(i) $15,000, if the qualified purchase occurs during calendar year 2021;
(ii) $13,500, if the qualified purchase occurs during calendar year 2022;
(iii) $12,000, if the qualified purchase occurs during calendar year 2023;
(iv) $10,500, if the qualified purchase occurs during calendar year 2024;
(v) $9,000, if the qualified purchase occurs during calendar year 2025;
(vi) $7,500, if the qualified purchase occurs during calendar year 2026;
(vii) $6,000, if the qualified purchase occurs during calendar year 2027;
(viii) $4,500, if the qualified purchase occurs during calendar year 2028;
(ix) $3,000, if the qualified purchase occurs during calendar year 2029; and
(x) $1,500, if the qualified purchase occurs during calendar year 2030; and
(b) if the qualified taxpayer certifies under oath that over 50% of the miles that the heavy duty vehicle that is the subject of the qualified purchase will travel annually will be within the state.
(3)
(a) Except as provided in Subsection (3)(b), a taxpayer may not submit an application for, and the director may not issue to the taxpayer, a tax credit certificate under this section in any taxable year for a qualified purchase if the director has already issued tax credit certificates to the taxpayer for 10 qualified purchases in the same taxable year.
(b) If, by May 1 of any year, more than 30% of the aggregate annual total amount of tax credits under Subsection (5) has not been claimed, a taxpayer may submit an application for, and the director may issue to the taxpayer, one or more tax credit certificates for up to eight additional qualified purchases, even if the director has already issued to that taxpayer tax credit certificates for the maximum number of qualified purchases allowed under Subsection (3)(a).
(4)
(a) Subject to Subsection (4)(b), the director shall reserve 25% of all tax credits available under this section for qualified taxpayers with a small fleet.
(b) Subsection (4)(a) does not prevent a taxpayer from submitting an application for, or the director from issuing, a tax credit certificate if, before October 1, qualified taxpayers with a small fleet have not reserved under Subsection (5)(b) tax credits for the full amount reserved under Subsection (4)(a).
(5)

(a) The aggregate annual total amount of tax credits represented by tax credit certificates that the director issues under this section and Section 59-10-1033.1 may not exceed $500,000.
(b) The board shall, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, make rules to establish a process under which a taxpayer may reserve a potential tax credit under this section for a limited time to allow the taxpayer to make a qualified purchase with the assurance that the aggregate limit under Subsection (5)(a) will not be met before the taxpayer is able to submit an application for a tax credit certificate.
(6)
(a)
(i) A taxpayer wishing to claim a tax credit under this section shall, using forms the board requires by rule:
(A) submit to the director an application for a tax credit;
(B) provide the director proof of a qualified purchase; and
(C) submit to the director the certification under oath required under Subsection (2)(b).
(ii) Upon receiving the application, proof, and certification required under Subsection (6)(a)(i), the director shall provide the taxpayer a written statement from the director acknowledging receipt of the proof.
(b) If the director determines that a taxpayer qualifies for a tax credit under this section, the director shall:
(i) determine the amount of tax credit the taxpayer is allowed under this section; and
(ii) provide the taxpayer with a written tax credit certificate:
(A) stating that the taxpayer has qualified for a tax credit; and
(B) showing the amount of tax credit for which the taxpayer has qualified under this section.
(c) A qualified taxpayer shall retain the tax credit certificate.
(d) The director shall at least annually submit to the commission a list of all qualified taxpayers to which the director has issued a tax credit certificate and the amount of each tax credit represented by the tax credit certificates.
(7) The tax credit under this section is allowed only:
(a) against a tax owed under this chapter or Chapter 8, Gross Receipts Tax on Certain Corporations Not Required to Pay Corporate Franchise or Income Tax Act, in the taxable year by the qualified taxpayer;
(b) for the taxable year in which the qualified purchase occurs; and
(c) once per vehicle.
(8) A qualified taxpayer may not assign a tax credit or a tax credit certificate under this section to another person.
(9) If the qualified taxpayer receives a tax credit certificate under this section that allows a tax credit in an amount that exceeds the qualified taxpayer's tax liability under this chapter or Chapter 8, Gross Receipts Tax on Certain Corporations Not Required to Pay Corporate Franchise or Income Tax Act, for a taxable year, the qualified taxpayer may carry forward the amount of the tax credit that exceeds the tax liability for a period that does not exceed the next five taxable years.

Enacted by Chapter 371, 2021 General Session

59-7-619 Nonrefundable high cost infrastructure development tax credit.
(1) As used in this section:
(a) "High cost infrastructure project" means the same as that term is defined in Section 79-6-602.

(b) "Infrastructure cost-burdened entity" means the same as that term is defined in Section 79-6-602.
(c) "Infrastructure-related revenue" means the same as that term is defined in Section 79-6-602.
(d) "Office" means the Office of Energy Development created in Section 79-6-401.
(2)
(a) Subject to the other provisions of this section, a corporation that is an infrastructure cost-burdened entity may claim a nonrefundable tax credit for development of a high cost infrastructure project as provided in this section.
(b) A corporation that is an infrastructure cost-burdened entity may not claim a tax credit under this section and under Section 59-5-305 using the same tax credit certificate.
(3) The tax credit under this section is the amount listed as the tax credit amount on a tax credit certificate that the office issues under Title 79, Chapter 6, Part 6, High Cost Infrastructure Development Tax Credit Act, to the infrastructure cost-burdened entity for the taxable year.
(4) An infrastructure cost-burdened entity may carry forward a tax credit under this section for a period that does not exceed the next seven taxable years if:
(a) the infrastructure cost-burdened entity is allowed to claim a tax credit under this section for a taxable year; and
(b) the amount of the tax credit exceeds the infrastructure cost-burdened entity's tax liability under this chapter for that taxable year.
(5)
(a)
(i) To assist the Revenue and Taxation Interim Committee with the review required by Section 59-7-159, the office shall provide the following information, if available to the office, to the Office of the Legislative Fiscal Analyst:
(A) the amount of tax credit that the office grants to each infrastructure cost-burdened entity for each taxable year;
(B) the infrastructure-related revenue generated by each high cost infrastructure project;
(C) the information contained in the office's latest report under Section 79-6-605; and
(D) any other information that the Office of the Legislative Fiscal Analyst requests.
(ii) In providing the information described in Subsection (5)(a)(i), the office shall redact information that identifies a recipient of a tax credit under this section.
(iii) If, notwithstanding the redactions made under Subsection (5)(a)(ii), reporting the information described in Subsection (5)(a)(i) might disclose the identity of a recipient of a tax credit, the office may file a request with the Revenue and Taxation Interim Committee to provide the information described in Subsection (5)(a)(i) in the aggregate for all infrastructure cost-burdened entities that receive the tax credit under this section.
(b) The Office of the Legislative Fiscal Analyst shall report to the Revenue and Taxation Interim Committee a summary and analysis of the information provided to the Office of the Legislative Fiscal Analyst by the office under Subsection (5)(a).
(6) Notwithstanding Section 59-7-903, the commission may not remove the tax credit described in this section from the tax return for a taxable year beginning before January 1, 2027.

Amended by Chapter 159, 2025 General Session
Amended by Chapter 292, 2025 General Session

59-7-621 Nonrefundable rural job creation tax credit.
(1) As used in this section, "office" means the Governor's Office of Economic Opportunity created in Section 63N-1a-301.

(2) Subject to the other provisions of this section, a taxpayer may claim a nonrefundable tax credit for rural job creation as provided in this section.
(3) The tax credit under this section is the amount listed as the tax credit amount on a tax credit certificate that the office issues under Title 63N, Chapter 4, Part 3, Utah Rural Jobs Act, to the taxpayer for the taxable year.
(4) If the amount of a tax credit under this section exceeds the taxpayer's tax liability under this chapter for the taxable year in which the taxpayer claims the tax credit, the taxpayer may carry forward the tax credit for:
  (a) the next seven taxable years, if the credit-eligible contribution as defined in Section 63N-4-302 is made before November 1, 2022; or
  (b) the next four taxable years, if the credit-eligible contribution as defined in Section 63N-4-302 is made on or after November 1, 2022.

Amended by Chapter 195, 2022 General Session

59-7-623 Nonrefundable guaranty association assessment tax credit.
(1) As used in this section:
  (a) "Guaranty association assessment" means the amount of any assessments paid by a qualified insurer under the guaranty association established under Title 31A, Chapter 28, Part 1, Utah Life and Health Insurance Guaranty Association Act, in the manner provided by Section 31A-28-113.
  (b) "Qualified insurer" means an insurer, as defined in Section 31A-1-301, that is not subject to the premium tax on health care insurance under Section 59-9-101.
(2) For a taxable year beginning on or after January 1, 2019, a qualified insurer may claim a nonrefundable tax credit equal to 20% of the assessment for each of the five years following the year the qualified insurer pays a guaranty association assessment, in accordance with Section 31A-28-113.
(3)
  (a) A qualified insurer may carry forward the portion of the tax credit that exceeds the qualified insurer's tax liability for the taxable year in accordance with Section 31A-28-113.
  (b) A qualified insurer may not carry back the portion of the tax credit that exceeds the qualified insurer's tax liability for the taxable year.

Enacted by Chapter 391, 2018 General Session

59-7-625 Nonrefundable tax credit for a donation to the Carson Smith Opportunity Scholarship Program.
(1) A taxpayer that makes a donation to the Carson Smith Opportunity Scholarship Program established in Section 53E-7-402 may claim a nonrefundable tax credit equal to 100% of the amount stated on a tax credit certificate issued in accordance with Section 53E-7-407.
(2) If the amount of a tax credit listed on the tax credit certificate exceeds a taxpayer's liability under this chapter for a taxable year, the taxpayer:
  (a) may carry forward the amount of the tax credit exceeding the liability for a period that does not exceed the next three taxable years; and
  (b) may carry back the amount of the tax credit that exceeds the taxpayer's tax liability to the previous taxable year.

Amended by Chapter 466, 2024 General Session

59-7-626 Refundable tax credit for nonrenewable hydrogen production system.

(1) As used in this section:

(a) "Commercial enterprise" means an entity, the purpose of which is to produce hydrogen for sale from a hydrogen production system.

(b) "Commercial unit" means a building or structure that an entity uses to transact business.

(c) "Hydrogen production system" means a system of apparatus and equipment, located in this state, that produces hydrogen from nonrenewable sources.

(d) "Office" means the Office of Energy Development created in Section 79-6-401.

(2)

(a) A taxpayer may claim a refundable credit under this section if:

(i) the taxpayer owns a hydrogen production system;

(ii) the hydrogen production system is completed and placed in service on or after January 1, 2022;

(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;

(iv) the taxpayer has not claimed and will not claim a tax credit under Section 59-7-614 for electricity used to meet the requirements of this section; and

(v) the taxpayer obtains a written certification from the office in accordance with Subsection (3).

(b)

(i) Subject to Subsections (2)(b)(ii) and (iii), a tax credit under this section is equal to the product of:

(A) $0.12; and

(B) the number of kilograms of hydrogen produced during the taxable year.

(ii) A taxpayer may not receive a tax credit under this section for more than 5,600 metric tons of hydrogen per taxable year.

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

(3)

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

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

(i) the taxpayer meets the requirements of this section to receive a tax credit; and

(ii) the hydrogen production system with respect to which the taxpayer seeks to claim a tax credit:

(A) has been completely installed; and

(B) is safe, reliable, efficient, and technically feasible to ensure that the hydrogen production system uses the state's nonrenewable energy resources in an appropriate and economic manner.

(c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the office may make rules for determining whether a hydrogen production system meets the requirements of Subsection (3)(b)(ii).

(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.

(e) The office shall submit to the commission an electronic list that includes:

(i) the name and identifying information of each taxpayer to which the office issues a written certification; and

(ii) for each taxpayer:
(A) the amount of the tax credit listed on the written certification; and
(B) the date the hydrogen production system was installed.
(4) 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.
(5) 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.

Enacted by Chapter 374, 2021 General Session

59-7-627 Nonrefundable tax credits for employer-provided child care.
(1) As used in this section:
(a)
(i) "Qualified child care expenditure" means an amount paid or incurred for the operating costs of a qualified child care facility of the employer, whether the employer operates the qualified child care facility or contracts with a third party provider to provide child care services at the qualified child care facility.
(ii) "Qualified child care expenditure" includes costs related to training employees and providing increased compensation to employees with higher levels of child care training.
(b) "Qualified child care facility" means center based child care as that term is defined in Section 26B-2-401 that is located in the state.
(c) "Qualified construction expenditure" means an amount paid or incurred to acquire, construct, rehabilitate, or expand property:
(i) for a qualified child care facility of the employer; and
(ii) with respect to which the employer is allowed a deduction for depreciation, or amortization in lieu of depreciation.
(d) "Qualifying taxpayer" means a taxpayer that:
(i) is an employer; and
(ii) qualifies for and claims the federal employer-provided child care tax credit described in Section 45F, Internal Revenue Code, for the current taxable year.
(e) "Recapture event" means an employer fails to operate a qualified child care facility for which the employer claims a tax credit under this section as a child care facility for at least five consecutive taxable years after the taxable year on which the employer first claims a tax credit under this section.
(f) "Third party provider" means:
(i) a new child care provider; or
(ii) an existing child care provider that can perform the contract without reducing the provider's existing child care services.
(2)
(a) A qualifying taxpayer may claim a nonrefundable tax credit equal to 20% of the qualified construction expenditures the qualifying taxpayer incurred during the taxable year.
(b) A qualifying taxpayer may carry forward, to the next five taxable years, the amount of the qualifying taxpayer's tax credit described in this Subsection (2) that exceeds the qualifying taxpayer's income tax liability for the taxable year.
(3)
(a)

(i) Subject to Subsection (3)(a)(ii), a qualifying taxpayer may claim a nonrefundable tax credit equal to 10% of the qualified child care expenditures the qualifying taxpayer incurred during the taxable year.

(ii) A qualifying taxpayer may claim a tax credit under this Subsection (3) for qualified child care expenditures only if the qualifying taxpayer claims a tax credit under Subsection (2) for the current taxable year or a previous taxable year.

(b) A qualifying taxpayer may not carry forward or carry back the tax credit described in this Subsection (3) that exceeds the qualifying taxpayer's income tax liability for the taxable year.

(4)

(a)

(i) If a recapture event happens within two taxable years after the first taxable year in which the qualifying taxpayer claims a tax credit under this section, a qualifying taxpayer shall repay 100% of the tax credit a qualifying taxpayer receives under this section for any taxable year.

(ii) If a recapture event happens more than two taxable years but fewer than three taxable years after the first taxable year in which the qualifying taxpayer claims a tax credit under this section, a qualifying taxpayer shall repay 75% of the tax credit a qualifying taxpayer receives under this section for any taxable year.

(iii) If a recapture event happens more than three taxable years but fewer than four taxable years after the first taxable year in which the qualifying taxpayer claims a tax credit under this section, a qualifying taxpayer shall repay 50% of the tax credit a qualifying taxpayer receives under this section for any taxable year.

(iv) If a recapture event happens more than four taxable years but fewer than five taxable years after the first taxable year in which the qualifying taxpayer claims a tax credit under this section, a qualifying taxpayer shall repay 25% of the tax credit a qualifying taxpayer receives under this section for any taxable year.

(b) A qualifying taxpayer shall make a payment for a recapture event for the taxable year in which the recapture event occurs.

Enacted by Chapter 407, 2025 General Session