

RENEWABLE ENERGY TAX CREDIT AMENDMENTS

2015 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ralph Okerlund

House Sponsor: _____

LONG TITLE

Committee Note:

The Revenue and Taxation Interim Committee recommended this bill.

General Description:

This bill addresses renewable energy tax credits.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ addresses renewable energy tax credits; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

This bill provides for retrospective operation.

§→ This bill provides a coordination clause. ←§

Utah Code Sections Affected:

AMENDS:

59-2-102, as last amended by Laws of Utah 2014, Chapters 65 and 411

59-7-614, as last amended by Laws of Utah 2014, Chapter 407

59-10-1014, as last amended by Laws of Utah 2012, Chapter 37

59-10-1106, as last amended by Laws of Utah 2012, Chapter 37

§→ Utah Code Sections Affected by Coordination Clause:

59-7-614, as last amended by Laws of Utah, 2012, Chapter 37 ←§

S.B. 14



524 ~~under Section 59-10-1014.]~~ other person had met the requirements of this section to claim the
 525 tax credit; or

526 (B) if the other person files a return under Chapter 10, Individual Income Tax Act, the
 527 other person may claim the tax credit under Section 59-10-1014 as if the other person had met
 528 the requirements of Section 59-10-1014 to claim the tax credit.

529 ~~[(b)(i) A business entity that purchases or participates in the financing of a commercial~~
 530 ~~energy system situated in Utah may claim a refundable tax credit as provided in this Subsection~~
 531 ~~(2)(b) if the commercial energy system does not use wind, geothermal electricity, solar, or~~
 532 ~~biomass equipment capable of producing a total of 660 or more kilowatts of electricity or if the~~
 533 ~~commercial energy system does not use solar equipment capable of producing 2,000 or more~~
 534 ~~kilowatts of electricity, and:]~~

535 (4) (a) Subject to the other provisions of this Subsection (4), a taxpayer may claim a
 536 refundable tax credit under this Subsection (4) with respect to a commercial energy system if:

537 (i) the commercial energy system does not use:

538 (A) wind, geothermal electricity, solar, or biomass equipment capable of producing a
 539 total of 660 or more kilowatts of electricity; or

540 (B) solar equipment capable of producing 2,000 or more kilowatts of electricity;

541 (ii) the ~~§~~ → [corporation] taxpayer ← ~~§~~ purchases or participates in the financing of the
 541a commercial energy
 542 system;

543 (iii) (A) the commercial energy system supplies all or part of the energy required by
 544 commercial units owned or used by the [business entity] taxpayer; or

545 (B) the [business entity] taxpayer sells all or part of the energy produced by the
 546 commercial energy system as a commercial enterprise[-];

547 (iv) the commercial energy system is completed and placed in service on or after
 548 January 1, 2007; and

549 (v) the taxpayer obtains a written certification from the office in accordance with
 550 Subsection (7).

551 ~~[(ii)(A) A business entity is entitled to a]~~ (b) (i) Subject to Subsections (4)(b)(ii)
 552 through (v), the tax credit [of up] is equal to 10% of the reasonable costs of [any] the
 553 commercial energy system [installed, including].

554 (ii) A tax credit under this Subsection (4) may include installation costs[-against any

1113 ~~[(b) A tax credit may not be taken under this section until the office has certified that~~
 1114 ~~the commercial energy system has been completely installed and is a viable system for saving~~
 1115 ~~or production of energy from renewable resources.]~~

1116 ~~[(5) The office and the commission may make rules in accordance with Title 63G,~~
 1117 ~~Chapter 3, Utah Administrative Rulemaking Act, that are necessary to implement this section.]~~

1118 (9) A purchaser of one or more solar units that claims a tax credit under Section
 1119 59-10-1024 for the purchase of the one or more solar units may not claim a tax credit under this
 1120 section for that purchase.

1121 ~~[(6)]~~ (10) (a) On or before October 1, ~~[2012]~~ 2017, and every five years ~~[thereafter]~~
 1122 after 2017, the Revenue and Taxation Interim Committee shall review each tax credit provided
 1123 by this section and report its recommendations to the Legislative Management Committee
 1124 concerning whether the credit should be continued, modified, or repealed.

1125 (b) The Revenue and Taxation Interim Committee's report under Subsection ~~[(6)]~~
 1126 (10)(a) shall include information concerning the cost of the credit, the purpose and
 1127 effectiveness of the credit, and the state's benefit from the credit.

1128 Section 5. **Effective date -- Retrospective operation.**

1129 (1) This bill takes effect on May 12, 2015.

1130 (2) The actions affecting the following sections have retrospective operation for a
 1131 taxable year beginning on or after January 1, 2015:

1132 (a) Section 59-7-614;

1133 (b) Section 59-10-1014; and

1134 (c) Section 59-10-1106.

1134a **§→ Section 6. Coordinating S.B. 14 with S.B. 13 -- Substantive and technical amendments.**

1134b **If this S.B. 14 and S.B. 13, Income Tax Amendments, both pass and become law, it is the intent**

1134c **of the Legislature that the Office of Legislative Research and General Counsel prepare the**

1134d **Utah Code database for publication as follows:**

1134e **(1) Section 59-7-614 in this bill supersedes Section 59-7-614 in S.B. 13;**

1134f **(2) delete all of Subsection 59-7-614(10) in this bill; and**

1134g **(3) renumber Subsection 59-7-614(11) in this bill, including the references to Subsection 59-7-**

1134h **614(11) in this bill, to Subsection (10).** ←§

Legislative Review Note

as of 11-20-14 2:17 PM

Office of Legislative Research and General Counsel