

Representative Jeremy A. Peterson proposes the following substitute bill:

TAX CREDIT REVIEW AMENDMENTS

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jeremy A. Peterson

Senate Sponsor: _____

LONG TITLE

General Description:

This bill provides for a review of certain tax credits.

Highlighted Provisions:

This bill:

- ▶ requires the Revenue and Taxation Interim Committee to review certain credits under the Individual Income Tax Act, the Corporate Income Tax, the Motor and Special Fuel Tax Act, the Taxation of Admitted Insurers, and the Governor's Office of Economic Development; and

- ▶ establishes requirements for the review by the Revenue and Taxation Interim Committee.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides coordination clauses.

Utah Code Sections Affected:

AMENDS:

59-7-612, as last amended by Laws of Utah 2012, Chapter 405

59-7-614, as last amended by Laws of Utah 2015, Chapters 30, 133 and last amended



26 by Coordination Clause, Laws of Utah 2015, Chapter 133
27 **59-7-614.2**, as last amended by Laws of Utah 2015, Chapter 283
28 **59-7-614.5**, as last amended by Laws of Utah 2015, Chapter 283
29 **59-7-614.7**, as enacted by Laws of Utah 2012, Chapter 410
30 **59-7-614.8**, as last amended by Laws of Utah 2015, Chapter 283
31 **59-7-619**, as enacted by Laws of Utah 2015, Chapter 356
32 **59-9-107**, as enacted by Laws of Utah 2014, Chapter 435
33 **59-10-1012**, as last amended by Laws of Utah 2012, Chapter 405
34 **59-10-1013**, as last amended by Laws of Utah 2011, Chapter 384
35 **59-10-1014**, as last amended by Laws of Utah 2015, Chapter 133
36 **59-10-1024**, as last amended by Laws of Utah 2011, Chapter 384
37 **59-10-1029**, as enacted by Laws of Utah 2012, Chapter 410
38 **59-10-1030**, as last amended by Laws of Utah 2015, Chapter 283
39 **59-10-1034**, as enacted by Laws of Utah 2015, Chapter 356
40 **59-10-1106**, as last amended by Laws of Utah 2015, Chapter 133
41 **59-10-1107**, as last amended by Laws of Utah 2015, Chapter 283
42 **59-10-1108**, as last amended by Laws of Utah 2015, Chapter 283
43 **59-13-202**, as last amended by Laws of Utah 2006, Chapter 223
44 **63N-2-106**, as last amended by Laws of Utah 2015, Chapter 344 and renumbered and
45 amended by Laws of Utah 2015, Chapter 283
46 **63N-2-213**, as renumbered and amended by Laws of Utah 2015, Chapter 283
47 **63N-2-305**, as renumbered and amended by Laws of Utah 2015, Chapter 283
48 **63N-2-810**, as renumbered and amended by Laws of Utah 2015, Chapter 283

49 ENACTS:

50 **59-7-159**, Utah Code Annotated 1953
51 **59-10-137**, Utah Code Annotated 1953

52 **Utah Code Sections Affected by Coordination Clause:**

53 **59-7-159**, Utah Code Annotated 1953
54 **59-7-614.10**, Utah Code Annotated 1953
55 **59-10-137**, Utah Code Annotated 1953
56 **59-10-1036**, Utah Code Annotated 1953

57 [63N-2-213](#), as renumbered and amended by Laws of Utah 2015, Chapter 283

58 [63N-2-810](#), as renumbered and amended by Laws of Utah 2015, Chapter 283

59

60 Section 1. Section [59-7-159](#) is enacted to read:

61 **59-7-159. Review of credits allowed under this chapter.**

62 (1) As used in this section, "committee" means the Revenue and Taxation Interim
63 Committee.

64 (2) (a) The committee shall review the tax credits described in this chapter as provided
65 in Subsection (3) and make recommendations to the Legislature concerning whether the tax
66 credits should be continued, modified, or repealed.

67 (b) In conducting the review required under Subsection (2)(a), the committee shall:

68 (i) schedule time on at least one committee agenda to conduct the review;

69 (ii) invite state agencies, individuals, and organizations concerned with the tax credit
70 under review to provide testimony;

71 (iii) (A) invite the Governor's Office of Economic Development to present a summary
72 and analysis of the information for each tax credit regarding which the Governor's Office of
73 Economic Development is required to make a report under this chapter; and

74 (B) invite the Office of the Legislative Fiscal Analyst to present a summary and
75 analysis of the information for each tax credit regarding which the Office of the Legislative
76 Fiscal Analyst is required to make a report under this chapter;

77 (iv) ensure that the committee's recommendations under this section include an
78 evaluation of:

79 (A) the cost of the tax credit to the state;

80 (B) the purpose and effectiveness of the tax credit; and

81 (C) the extent to which the state benefits from the tax credit; and

82 (v) undertake other review efforts as determined by the committee chairs or as
83 otherwise required by law.

84 (3) (a) On or before November 30, 2016, and every three years after November 30,
85 2016, the committee shall conduct the review required under Subsection (2) of the tax credits
86 allowed under the following sections:

87 (i) Section [59-7-605](#);

88 (ii) Section 59-7-610;

89 (iii) Section 59-7-614;

90 (iv) Section 59-7-614.7;

91 (v) Section 59-7-614.8; and

92 (vi) Section 59-7-618.

93 (b) On or before November 30, 2017, and every three years after November 30, 2017,
94 the committee shall conduct the review required under Subsection (2) of the tax credits allowed
95 under the following sections:

96 (i) Section 59-7-601;

97 (ii) Section 59-7-607;

98 (iii) Section 59-7-612;

99 (iv) Section 59-7-614.1;

100 (v) Section 59-7-614.5; and

101 (vi) Section 59-7-614.6.

102 (c) On or before November 30, 2018, and every three years after November 30, 2018,
103 the committee shall conduct the review required under Subsection (2) of the tax credits allowed
104 under the following sections:

105 (i) Section 59-7-609;

106 (ii) Section 59-7-614.2;

107 (iii) Section 59-7-617;

108 (iv) Section 59-7-619; and

109 (v) Section 59-7-620.

110 (d) (i) In addition to the reviews described in this Subsection (3), the committee shall
111 conduct a review of a tax credit described in this chapter that is enacted on or after January 1,
112 2016.

113 (ii) The committee shall complete a review described in this Subsection (3)(d) three
114 years after the effective date of the tax credit and every three years after the initial review date.

115 Section 2. Section 59-7-612 is amended to read:

116 **59-7-612. Tax credits for research activities conducted in the state -- Carry**
117 **forward -- Commission to report modification or repeal of certain federal provisions --**
118 **Revenue and Taxation Interim Committee study.**

119 (1) (a) A taxpayer meeting the requirements of this section may claim the following
120 nonrefundable tax credits:

121 (i) a research tax credit of 5% of the taxpayer's qualified research expenses for the
122 current taxable year that exceed the base amount provided for under Subsection (4);

123 (ii) a tax credit for a payment to a qualified organization for basic research as provided
124 in Section 41(e), Internal Revenue Code, of 5% for the current taxable year that exceed the
125 base amount provided for under Subsection (4); and

126 (iii) a tax credit equal to 7.5% of the taxpayer's qualified research expenses for the
127 current taxable year.

128 (b) Subject to Subsection (5), a taxpayer may claim a tax credit under:

129 (i) Subsection (1)(a)(i) or (1)(a)(iii), for the taxable year for which the taxpayer incurs
130 the qualified research expenses; or

131 (ii) Subsection (1)(a)(ii), for the taxable year for which the taxpayer makes the payment
132 to the qualified organization.

133 (c) The tax credits provided for in this section do not include the alternative
134 incremental credit provided for in Section 41(c)(4), Internal Revenue Code.

135 (2) For purposes of claiming a tax credit under this section, a unitary group as defined
136 in Section 59-7-101 is considered to be one taxpayer.

137 (3) Except as specifically provided for in this section:

138 (a) the tax credits authorized under Subsection (1) shall be calculated as provided in
139 Section 41, Internal Revenue Code; and

140 (b) the definitions provided in Section 41, Internal Revenue Code, apply in calculating
141 the tax credits authorized under Subsection (1).

142 (4) For purposes of this section:

143 (a) the base amount shall be calculated as provided in Sections 41(c) and 41(h),
144 Internal Revenue Code, except that:

145 (i) the base amount does not include the calculation of the alternative incremental
146 credit provided for in Section 41(c)(4), Internal Revenue Code;

147 (ii) a taxpayer's gross receipts include only those gross receipts attributable to sources
148 within this state as provided in Part 3, Allocation and Apportionment of Income - Utah
149 UDITPA Provisions; and

150 (iii) notwithstanding Section 41(c), Internal Revenue Code, for purposes of calculating
151 the base amount, a taxpayer:

152 (A) may elect to be treated as a start-up company as provided in Section 41(c)(3)(B)
153 regardless of whether the taxpayer meets the requirements of Section 41(c)(3)(B)(i)(I) or (II);
154 and

155 (B) may not revoke an election to be treated as a start-up company under Subsection
156 (4)(a)(iii)(A);

157 (b) "basic research" is as defined in Section 41(e)(7), Internal Revenue Code, except
158 that the term includes only basic research conducted in this state;

159 (c) "qualified research" is as defined in Section 41(d), Internal Revenue Code, except
160 that the term includes only qualified research conducted in this state;

161 (d) "qualified research expenses" is as defined and calculated in Section 41(b), Internal
162 Revenue Code, except that the term includes only:

163 (i) in-house research expenses incurred in this state; and

164 (ii) contract research expenses incurred in this state; and

165 (e) a tax credit provided for in this section is not terminated if a credit terminates under
166 Section 41, Internal Revenue Code.

167 (5) (a) If the amount of a tax credit claimed by a taxpayer under Subsection (1)(a)(i) or
168 (ii) exceeds the taxpayer's tax liability under this chapter for a taxable year, the amount of the
169 tax credit exceeding the tax liability:

170 (i) may be carried forward for a period that does not exceed the next 14 taxable years;
171 and

172 (ii) may not be carried back to a taxable year preceding the current taxable year.

173 (b) A taxpayer may not carry forward the tax credit allowed by Subsection (1)(a)(iii).

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

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

181 (8) (a) The Revenue and Taxation Interim Committee shall review the tax credits
 182 provided for in this section on or before October 1 of the year after the year in which the
 183 commission reports under Subsection (7) a modification or repeal of a provision of Section 41,
 184 Internal Revenue Code.

185 (b) The review described in Subsection (8)(a) is in addition to the review required by
 186 Section 59-7-159.

187 ~~[(b)]~~ (c) Notwithstanding Subsection (8)(a), the Revenue and Taxation Interim
 188 Committee is not required to review the tax credits provided for in this section if the only
 189 modification to a provision of Section 41, Internal Revenue Code, is the extension of the
 190 termination date provided for in Section 41(h), Internal Revenue Code.

191 ~~[(c)]~~ (d) The Revenue and Taxation Interim Committee shall address in a review under
 192 this section:

- 193 (i) the cost of the tax credits provided for in this section;
- 194 (ii) the purpose and effectiveness of the tax credits provided for in this section;
- 195 (iii) whether the tax credits provided for in this section benefit the state; and
- 196 (iv) whether the tax credits provided for in this section should be:
 - 197 (A) continued;
 - 198 (B) modified; or
 - 199 (C) repealed.

200 ~~[(d)]~~ (e) If the Revenue and Taxation Interim Committee reviews the tax credits
 201 provided for in this section, the committee shall issue a report [its] of the Revenue and
 202 Taxation Interim Committee's findings [to the Legislative Management Committee on or
 203 before the November interim meeting of the year in which the Revenue and Taxation Interim
 204 Committee reviews the tax credits].

205 Section 3. Section **59-7-614** is amended to read:

206 **59-7-614. Renewable energy systems tax credits -- Definitions -- Certification --**
 207 **Rulemaking authority -- Revenue and Taxation Interim Committee study.**

208 (1) As used in this section:

- 209 (a) (i) "Active solar system" means a system of equipment that is capable of:
 - 210 (A) collecting and converting incident solar radiation into thermal, mechanical, or
 - 211 electrical energy; and

212 (B) transferring a form of energy described in Subsection (1)(a)(i)(A) by a separate
213 apparatus to storage or to the point of use.

214 (ii) "Active solar system" includes water heating, space heating or cooling, and
215 electrical or mechanical energy generation.

216 (b) "Biomass system" means a system of apparatus and equipment for use in:

217 (i) converting material into biomass energy, as defined in Section 59-12-102; and

218 (ii) transporting the biomass energy by separate apparatus to the point of use or storage.

219 (c) "Commercial energy system" means a system that is:

220 (i) (A) an active solar system;

221 (B) a biomass system;

222 (C) a direct use geothermal system;

223 (D) a geothermal electricity system;

224 (E) a geothermal heat pump system;

225 (F) a hydroenergy system;

226 (G) a passive solar system; or

227 (H) a wind system;

228 (ii) located in the state; and

229 (iii) used:

230 (A) to supply energy to a commercial unit; or

231 (B) as a commercial enterprise.

232 (d) "Commercial enterprise" means an entity, the purpose of which is to produce
233 electrical, mechanical, or thermal energy for sale from a commercial energy system.

234 (e) (i) "Commercial unit" means a building or structure that an entity uses to transact
235 business.

236 (ii) Notwithstanding Subsection (1)(e)(i):

237 (A) with respect to an active solar system used for agricultural water pumping or a wind
238 system, each individual energy generating device is considered to be a commercial unit; or

239 (B) if an energy system is the building or structure that an entity uses to transact
240 business, a commercial unit is the complete energy system itself.

241 (f) "Direct use geothermal system" means a system of apparatus and equipment that
242 enables the direct use of geothermal energy to meet energy needs, including heating a building,

243 an industrial process, and aquaculture.

244 (g) "Geothermal electricity" means energy that is:

245 (i) contained in heat that continuously flows outward from the earth; and

246 (ii) used as a sole source of energy to produce electricity.

247 (h) "Geothermal energy" means energy generated by heat that is contained in the earth.

248 (i) "Geothermal heat pump system" means a system of apparatus and equipment that:

249 (i) enables the use of thermal properties contained in the earth at temperatures well

250 below 100 degrees Fahrenheit; and

251 (ii) helps meet heating and cooling needs of a structure.

252 (j) "Hydroenergy system" means a system of apparatus and equipment that is capable

253 of:

254 (i) intercepting and converting kinetic water energy into electrical or mechanical

255 energy; and

256 (ii) transferring this form of energy by separate apparatus to the point of use or storage.

257 (k) "Office" means the Office of Energy Development created in Section [63M-4-401](#).

258 (l) (i) "Passive solar system" means a direct thermal system that utilizes the structure of

259 a building and its operable components to provide for collection, storage, and distribution of

260 heating or cooling during the appropriate times of the year by utilizing the climate resources

261 available at the site.

262 (ii) "Passive solar system" includes those portions and components of a building that

263 are expressly designed and required for the collection, storage, and distribution of solar energy.

264 (m) (i) "Principal recovery portion" means the portion of a lease payment that

265 constitutes the cost a person incurs in acquiring a commercial energy system.

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

267 (A) an interest charge; or

268 (B) a maintenance expense.

269 (n) "Residential energy system" means the following used to supply energy to or for a

270 residential unit:

271 (i) an active solar system;

272 (ii) a biomass system;

273 (iii) a direct use geothermal system;

- 274 (iv) a geothermal heat pump system;
- 275 (v) a hydroenergy system;
- 276 (vi) a passive solar system; or
- 277 (vii) a wind system.
- 278 (o) (i) "Residential unit" means a house, condominium, apartment, or similar dwelling
- 279 unit that:
 - 280 (A) is located in the state; and
 - 281 (B) serves as a dwelling for a person, group of persons, or a family.
- 282 (ii) "Residential unit" does not include property subject to a fee under:
 - 283 (A) Section 59-2-404;
 - 284 (B) Section 59-2-405;
 - 285 (C) Section 59-2-405.1;
 - 286 (D) Section 59-2-405.2; or
 - 287 (E) Section 59-2-405.3.
- 288 (p) "Wind system" means a system of apparatus and equipment that is capable of:
 - 289 (i) intercepting and converting wind energy into mechanical or electrical energy; and
 - 290 (ii) transferring these forms of energy by a separate apparatus to the point of use, sale,
 - 291 or storage.
- 292 (2) A taxpayer may claim an energy system tax credit as provided in this section
- 293 against a tax due under this chapter for a taxable year.
- 294 (3) (a) Subject to the other provisions of this Subsection (3), a taxpayer may claim a
- 295 nonrefundable tax credit under this Subsection (3) with respect to a residential unit the taxpayer
- 296 owns or uses if:
 - 297 (i) the taxpayer:
 - 298 (A) purchases and completes a residential energy system to supply all or part of the
 - 299 energy required for the residential unit; or
 - 300 (B) participates in the financing of a residential energy system to supply all or part of
 - 301 the energy required for the residential unit;
 - 302 (ii) the residential energy system is completed and placed in service on or after January
 - 303 1, 2007; and
 - 304 (iii) the taxpayer obtains a written certification from the office in accordance with

305 Subsection (7).

306 (b) (i) Subject to Subsections (3)(b)(ii) through (v), the tax credit is equal to 25% of the
307 reasonable costs of each residential energy system installed with respect to each residential unit
308 the taxpayer owns or uses.

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

310 (iii) A taxpayer may claim a tax credit under this Subsection (3) for the taxable year in
311 which the residential energy system is completed and placed in service.

312 (iv) If the amount of a tax credit under this Subsection (3) exceeds a taxpayer's tax
313 liability under this chapter for a taxable year, the amount of the tax credit exceeding the
314 liability may be carried forward for a period that does not exceed the next four taxable years.

315 (v) The total amount of tax credit a taxpayer may claim under this Subsection (3) may
316 not exceed \$2,000 per residential unit.

317 (c) If a taxpayer sells a residential unit to another person before the taxpayer claims the
318 tax credit under this Subsection (3):

319 (i) the taxpayer may assign the tax credit to the other person; and

320 (ii) (A) if the other person files a return under this chapter, the other person may claim
321 the tax credit under this section as if the other person had met the requirements of this section
322 to claim the tax credit; or

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

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

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

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

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

332 (ii) the taxpayer purchases or participates in the financing of the commercial energy
333 system;

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

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

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

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

342 (b) (i) Subject to Subsections (4)(b)(ii) through (v), the tax credit is equal to 10% of the
343 reasonable costs of the commercial energy system.

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

345 (iii) A taxpayer may claim a tax credit under this Subsection (4) for the taxable year in
346 which the commercial energy system is completed and placed in service.

347 (iv) A tax credit under this Subsection (4) may not be carried forward or carried back.

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

350 (c) (i) Subject to Subsections (4)(c)(ii) and (iii), a taxpayer that is a lessee of a
351 commercial energy system installed on a commercial unit may claim a tax credit under this
352 Subsection (4) if the taxpayer confirms that the lessor irrevocably elects not to claim the tax
353 credit.

354 (ii) A taxpayer described in Subsection (4)(c)(i) may claim as a tax credit under this
355 Subsection (4) only the principal recovery portion of the lease payments.

356 (iii) A taxpayer described in Subsection (4)(c)(i) may claim a tax credit under this
357 Subsection (4) for a period that does not exceed seven taxable years after the date the lease
358 begins, as stated in the lease agreement.

359 (5) (a) Subject to the other provisions of this Subsection (5), a taxpayer may claim a
360 refundable tax credit under this Subsection (5) with respect to a commercial energy system if:

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

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

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

367 (iii) the commercial energy system is completed and placed in service on or after
368 January 1, 2007; and

369 (iv) the taxpayer obtains a written certification from the office in accordance with
370 Subsection (7).

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

373 (A) 0.35 cents; and

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

375 (ii) A tax credit under this Subsection (5) may be claimed for production occurring
376 during a period of 48 months beginning with the month in which the commercial energy
377 system is placed in commercial service.

378 (iii) A tax credit under this Subsection (5) may not be carried forward or carried back.

379 (c) A taxpayer that is a lessee of a commercial energy system installed on a commercial
380 unit may claim a tax credit under this Subsection (5) if the taxpayer confirms that the lessor
381 irrevocably elects not to claim the tax credit.

382 (6) (a) Subject to the other provisions of this Subsection (6), a taxpayer may claim a
383 refundable tax credit as provided in this Subsection (6) if:

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

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

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

390 (iii) the taxpayer does not claim a tax credit under Subsection (4);

391 (iv) the commercial energy system is completed and placed in service on or after
392 January 1, 2015; and

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

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

397 (A) 0.35 cents; and

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

399 (ii) A tax credit under this Subsection (6) may be claimed for production occurring
400 during a period of 48 months beginning with the month in which the commercial energy
401 system is placed in commercial service.

402 (iii) A tax credit under this Subsection (6) may not be carried forward or carried back.

403 (c) A taxpayer that is a lessee of a commercial energy system installed on a commercial
404 unit may claim a tax credit under this Subsection (6) if the taxpayer confirms that the lessor
405 irrevocably elects not to claim the tax credit.

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

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

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

410 (ii) the residential energy system or commercial energy system with respect to which
411 the taxpayer seeks to claim a tax credit:

412 (A) has been completely installed;

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

414 (C) is safe, reliable, efficient, and technically feasible to ensure that the residential
415 energy system or commercial energy system uses the state's renewable and nonrenewable
416 energy resources in an appropriate and economic manner.

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

419 (i) for determining whether a residential energy system or commercial energy system
420 meets the requirements of Subsection (7)(b)(ii); and

421 (ii) for purposes of a tax credit under Subsection (3) or (4), establishing the reasonable
422 costs of a residential energy system or a commercial energy system, as an amount per unit of
423 energy production.

424 (d) A taxpayer that obtains a written certification from the office shall retain the
425 certification for the same time period a person is required to keep books and records under
426 Section [59-1-1406](#).

427 (8) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
428 commission may make rules to address the certification of a tax credit under this section.

429 (9) A tax credit under this section is in addition to any tax credits provided under the
430 laws or rules and regulations of the United States.

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

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

438 Section 4. Section **59-7-614.2** is amended to read:

439 **59-7-614.2. Refundable economic development tax credit.**

440 (1) As used in this section:

441 (a) "Business entity" means a taxpayer that meets the definition of "business entity" as
442 defined in Section [63N-2-103](#).

443 (b) "Community development and renewal agency" ~~[is as]~~ means the same as that term
444 is defined in Section [17C-1-102](#).

445 (c) "Local government entity" ~~[is as]~~ means the same as that term is defined in Section
446 [63N-2-103](#).

447 (d) "Office" means the Governor's Office of Economic Development.

448 (2) Subject to the other provisions of this section, a business entity, local government
449 entity, or community development and renewal agency may claim a refundable tax credit for
450 economic development.

451 (3) The tax credit under this section is the amount listed as the tax credit amount on the
452 tax credit certificate that the office issues to the business entity, local government entity, or
453 community development and renewal agency for the taxable year.

454 (4) A community development and renewal agency may claim a tax credit under this
455 section only if a local government entity assigns the tax credit to the community development
456 and renewal agency in accordance with Section [63N-2-104](#).

457 (5) (a) In accordance with any rules prescribed by the commission under Subsection
458 (5)(b), the commission shall make a refund to the following that claim a tax credit under this
459 section:

460 (i) a local government entity;
461 (ii) a community development and renewal agency; or
462 (iii) a business entity if the amount of the tax credit exceeds the business entity's tax
463 liability for a taxable year.

464 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
465 commission may make rules providing procedures for making a refund to a business entity,
466 local government entity, or community development and renewal agency as required by
467 Subsection (5)(a).

468 (6) (a) [~~On or before October 1, 2013, and every five years after October 1, 2013~~] In
469 accordance with Section 59-7-159, the Revenue and Taxation Interim Committee shall study
470 the tax credit allowed by this section and make recommendations [~~to the Legislative~~
471 ~~Management Committee~~] concerning whether the tax credit should be continued, modified, or
472 repealed.

473 (b) For purposes of the study required by this Subsection (6), the office shall provide
474 the following information [~~to the Revenue and Taxation Interim Committee~~]:

475 (i) the amount of tax credit that the office grants to each business entity, local
476 government entity, or community development and renewal agency for each calendar year;
477 (ii) the criteria that the office uses in granting a tax credit;
478 (iii) (A) for a business entity, the new state revenues generated by the business entity
479 for the calendar year; or

480 (B) for a local government entity, regardless of whether the local government entity
481 assigns the tax credit in accordance with Section 63N-2-104, the new state revenues generated
482 as a result of a new commercial project within the local government entity for each calendar
483 year;

484 (iv) the information contained in the office's latest report to the Legislature under
485 Section 63N-2-106; and

486 (v) any other information that the Revenue and Taxation Interim Committee requests.

487 (c) The Revenue and Taxation Interim Committee shall ensure that [~~its~~] the Revenue
488 and Taxation Interim Committee's recommendations under Subsection (6)(a) include an
489 evaluation of:

490 (i) the cost of the tax credit to the state;

491 (ii) the purpose and effectiveness of the tax credit; and

492 (iii) the extent to which the state benefits from the tax credit.

493 Section 5. Section **59-7-614.5** is amended to read:

494 **59-7-614.5. Refundable motion picture tax credit.**

495 (1) As used in this section:

496 (a) "Motion picture company" means a taxpayer that meets the definition of a motion
497 picture company under Section [63N-8-102](#).

498 (b) "Office" means the Governor's Office of Economic Development.

499 (c) "State-approved production" [~~has the same meaning as~~] means the same as that
500 term is defined in Section [63N-8-102](#).

501 (2) For a taxable [~~years~~] year beginning on or after January 1, 2009, a motion picture
502 company may claim a refundable tax credit for a state-approved production.

503 (3) The tax credit under this section is the amount listed as the tax credit amount on the
504 tax credit certificate that the office issues to a motion picture company under Section
505 [63N-8-103](#) for the taxable year.

506 (4) (a) In accordance with any rules prescribed by the commission under Subsection
507 (4)(b), the commission shall make a refund to a motion picture company that claims a tax
508 credit under this section if the amount of the tax credit exceeds the motion picture company's
509 tax liability for a taxable year.

510 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
511 commission may make rules providing procedures for making a refund to a motion picture
512 company as required by Subsection (4)(a).

513 (5) (a) [~~On or before October 1, 2014, and every five years after October 1, 2014~~] In
514 accordance with Section [59-7-159](#), the Revenue and Taxation Interim Committee shall study
515 the tax credit allowed by this section and make recommendations [~~to the Legislative~~
516 ~~Management Committee~~] concerning whether the tax credit should be continued, modified, or
517 repealed.

518 (b) For purposes of the study required by this Subsection (5), the office shall provide
519 the following information to the [~~Revenue and Taxation Interim Committee~~] Office of the
520 Legislative Fiscal Analyst:

521 (i) the amount of tax credit that the office grants to each motion picture company for

522 each calendar year;

523 (ii) the criteria that the office uses in granting the tax credit;

524 (iii) the dollars left in the state, as defined in Section 63N-8-102, by each motion
525 picture company for each calendar year;

526 (iv) the information contained in the office's latest report to the Legislature under
527 Section 63N-8-105; and

528 (v) any other information requested by the ~~[Revenue and Taxation Interim Committee]~~
529 Office of the Legislative Fiscal Analyst.

530 (c) As part of the study required by this Subsection (5), the Office of the Legislative
531 Fiscal Analyst shall report to the Revenue and Taxation Interim Committee a summary and
532 analysis of the information provided to the Office of the Legislative Fiscal Analyst by the
533 office under Subsection (5)(b).

534 ~~[(c)]~~ (d) The Revenue and Taxation Interim Committee shall ensure that [its] the
535 Revenue and Taxation Interim Committee's recommendations under Subsection (5)(a) include
536 an evaluation of:

537 (i) the cost of the tax credit to the state;

538 (ii) the effectiveness of the tax credit; and

539 (iii) the extent to which the state benefits from the tax credit.

540 Section 6. Section 59-7-614.7 is amended to read:

541 **59-7-614.7. Nonrefundable alternative energy development tax credit.**

542 (1) As used in this section:

543 (a) "Alternative energy entity" ~~[is as]~~ means the same as that term is defined in Section
544 63M-4-502.

545 (b) "Alternative energy project" ~~[is as]~~ means the same as that term is defined in
546 Section 63M-4-502.

547 (c) "Office" ~~[is as defined]~~ means the Office of Energy Development created in Section
548 63M-4-401.

549 (2) Subject to the other provisions of this section, an alternative energy entity may
550 claim a nonrefundable tax credit for alternative energy development as provided in this section.

551 (3) The tax credit under this section is the amount listed as the tax credit amount on a
552 tax credit certificate that the office issues under Title 63M, Chapter 4, Part 5, Alternative

553 Energy Development Tax Credit Act, to the alternative energy entity for the taxable year.

554 (4) An alternative energy entity may carry forward a tax credit under this section for a
555 period that does not exceed the next seven taxable years if:

556 (a) the alternative energy entity is allowed to claim a tax credit under this section for a
557 taxable year; and

558 (b) the amount of the tax credit exceeds the alternative energy entity's tax liability
559 under this chapter for that taxable year.

560 (5) (a) [~~On or before October 1, 2017, and every five years after October 1, 2017~~] In
561 accordance with Section 59-7-159, the Revenue and Taxation Interim Committee shall study
562 the tax credit allowed by this section and make recommendations [~~to the Legislative~~
563 ~~Management Committee~~] concerning whether the tax credit should be continued, modified, or
564 repealed.

565 (b) For purposes of the study required by this Subsection (5), the office shall provide
566 the following information to the [~~Revenue and Taxation Interim Committee~~] Office of the
567 Legislative Fiscal Analyst:

568 (i) the amount of tax credit that the office grants to each alternative energy entity for
569 each taxable year;

570 (ii) the new state revenues generated by each alternative energy project;

571 (iii) the information contained in the office's latest report [~~to the Legislature~~] under
572 Section 63M-4-505; and

573 (iv) any other information that the [~~Revenue and Taxation Interim Committee~~] Office
574 of the Legislative Fiscal Analyst requests.

575 (c) As part of the study required by this Subsection (5), the Office of the Legislative
576 Fiscal Analyst shall report to the Revenue and Taxation Interim Committee a summary and
577 analysis of the information provided to the Office of the Legislative Fiscal Analyst by the
578 office under Subsection (5)(b).

579 [~~(e)~~] (d) The Revenue and Taxation Interim Committee shall ensure that [its] the
580 Revenue and Taxation Interim Committee's recommendations under Subsection (5)(a) include
581 an evaluation of:

582 (i) the cost of the tax credit to the state;

583 (ii) the purpose and effectiveness of the tax credit; and

584 (iii) the extent to which the state benefits from the tax credit.

585 Section 7. Section **59-7-614.8** is amended to read:

586 **59-7-614.8. Nonrefundable alternative energy manufacturing tax credit.**

587 (1) As used in this section:

588 (a) "Alternative energy entity" [~~is as~~] means the same as that term is defined in Section
589 63N-2-702.

590 (b) "Alternative energy manufacturing project" [~~is as~~] means the same as that term is
591 defined in Section 63N-2-702.

592 (c) "Office" means the Governor's Office of Economic Development.

593 (2) Subject to the other provisions of this section, an alternative energy entity may
594 claim a nonrefundable tax credit for alternative energy manufacturing as provided in this
595 section.

596 (3) The tax credit under this section is the amount listed as the tax credit amount on a
597 tax credit certificate that the office issues under Title 63N, Chapter 2, Part 7, Alternative
598 Energy Manufacturing Tax Credit Act, to the alternative energy entity for the taxable year.

599 (4) An alternative energy entity may carry forward a tax credit under this section for a
600 period that does not exceed the next seven taxable years if:

601 (a) the alternative energy entity is allowed to claim a tax credit under this section for a
602 taxable year; and

603 (b) the amount of the tax credit exceeds the alternative energy entity's tax liability
604 under this chapter for that taxable year.

605 (5) (a) [~~On or before October 1, 2017, and every five years after October 1, 2017~~] In
606 accordance with Section 59-7-159, the Revenue and Taxation Interim Committee shall study
607 the tax credit allowed by this section and make recommendations [~~to the Legislative~~
608 ~~Management Committee~~] concerning whether the tax credit should be continued, modified, or
609 repealed.

610 (b) For purposes of the study required by this Subsection (5), the office shall provide
611 the following information to the [~~Revenue and Taxation Interim Committee~~] Office of the
612 Legislative Fiscal Analyst:

613 (i) the amount of tax credit that the office grants to each alternative energy entity for
614 each taxable year;

615 (ii) the new state revenues generated by each alternative energy manufacturing project;
616 (iii) the information contained in the office's latest report to the Legislature under
617 Section [~~63N-2-705~~] [63N-1-301](#); and

618 (iv) any other information that the [~~Revenue and Taxation Interim Committee~~] Office
619 of the Legislative Fiscal Analyst requests.

620 (c) As part of the study required by this Subsection (5), the Office of the Legislative
621 Fiscal Analyst shall report to the Revenue and Taxation Interim Committee a summary and
622 analysis of the information provided to the Office of the Legislative Fiscal Analyst by the
623 office under Subsection (5)(b).

624 [~~(e)~~] (d) The Revenue and Taxation Interim Committee shall ensure that [~~its~~] the
625 Revenue and Taxation Interim Committee's recommendations under Subsection (5)(a) include
626 an evaluation of:

- 627 (i) the cost of the tax credit to the state;
628 (ii) the purpose and effectiveness of the tax credit; and
629 (iii) the extent to which the state benefits from the tax credit.

630 Section 8. Section **59-7-619** is amended to read:

631 **59-7-619. Nonrefundable high cost infrastructure development tax credit.**

632 (1) As used in this section:

633 (a) "High cost infrastructure project" means the same as that term is defined in Section
634 [63M-4-602](#).

635 (b) "Infrastructure cost-burdened entity" means the same as that term is defined in
636 Section [63M-4-602](#).

637 (c) "Infrastructure-related revenue" means the same as that term is defined in Section
638 [63M-4-602](#).

639 (d) "Office" means the Office of Energy Development created in Section [63M-4-401](#).

640 (2) Subject to the other provisions of this section, a corporation that is an infrastructure
641 cost-burdened entity may claim a nonrefundable tax credit for development of a high cost
642 infrastructure project as provided in this section.

643 (3) The tax credit under this section is the amount listed as the tax credit amount on a
644 tax credit certificate that the office issues under Title 63M, Chapter 4, Part 6, High Cost
645 Infrastructure Development Tax Credit Act, to the infrastructure cost-burdened entity for the

646 taxable year.

647 (4) An infrastructure cost-burdened entity may carry forward a tax credit under this
648 section for a period that does not exceed the next seven taxable years if:

649 (a) the infrastructure cost-burdened entity is allowed to claim a tax credit under this
650 section for a taxable year; and

651 (b) the amount of the tax credit exceeds the infrastructure cost-burdened entity's tax
652 liability under this chapter for that taxable year.

653 (5) (a) [~~On or before October 1, 2020, and every five years after October 1, 2020~~] In
654 accordance with Section 59-7-159, the Revenue and Taxation Interim Committee shall study
655 the tax credit allowed by this section and make recommendations [~~to the Legislative~~
656 ~~Management Committee~~] concerning whether the tax credit should be continued, modified, or
657 repealed.

658 (b) For purposes of the study required by this Subsection (5), the office shall provide
659 the following information to the [~~Revenue and Taxation Interim Committee~~] Office of the
660 Legislative Fiscal Analyst:

661 (i) the amount of tax credit that the office grants to each infrastructure cost-burdened
662 entity for each taxable year;

663 (ii) the infrastructure-related revenue generated by each high cost infrastructure project;

664 (iii) the information contained in the office's latest report [~~to the Legislature~~] under
665 Section 63M-4-505; and

666 (iv) any other information that the [~~Revenue and Taxation Interim Committee~~] Office
667 of the Legislative Fiscal Analyst requests.

668 (c) As part of the study required by this Subsection (5), the Office of the Legislative
669 Fiscal Analyst shall report to the Revenue and Taxation Interim Committee a summary and
670 analysis of the information provided to the Office of the Legislative Fiscal Analyst by the
671 office under Subsection (5)(b).

672 [~~(c)~~] (d) The Revenue and Taxation Interim Committee shall ensure that the Revenue
673 and Taxation Interim Committee's recommendations under Subsection (5)(a) include an
674 evaluation of:

675 (i) the cost of the tax credit to the state;

676 (ii) the purpose and effectiveness of the tax credit; and

677 (iii) the extent to which the state benefits from the tax credit.

678 Section 9. Section **59-9-107** is amended to read:

679 **59-9-107. Nonrefundable small business jobs credit.**

680 (1) As used in this section:

681 (a) "Credit allowance date" [~~is as~~] means the same as that term is defined in Section
682 63N-2-602.

683 (b) "Office" [~~is as~~] means the same as that term is defined in Section 63N-1-102.

684 (c) "Tax credit certificate" [~~is as~~] means the same as that term is defined in Section
685 63N-2-602.

686 (2) An entity may claim a nonrefundable tax credit against a tax liability under this
687 chapter in accordance with this section if the entity is issued a tax credit certificate by the office
688 under Subsection 63N-2-603(11). The office shall issue a tax credit certificate to an entity that
689 is allocated tax credits under Subsection 63N-2-603(11)(e).

690 (3) The tax credit under this section is the amount listed as the tax credit amount on the
691 tax credit certificate issued to the entity for the calendar year.

692 (4) An entity may carry forward a tax credit under this section for seven years if:

693 (a) the entity is allowed to claim a tax credit under this section for a calendar year; and

694 (b) the amount of the tax credit exceeds the entity's tax liability under this chapter for
695 that calendar year.

696 (5) An entity required to pay a retaliatory tax levied under this chapter for a reason
697 other than claiming the tax credit may claim the tax credit after the retaliatory tax amount is
698 calculated, and the tax credit may be used to offset retaliatory tax liability.

699 (6) Notwithstanding the other provisions of this section, this section does not apply to
700 an admitted insurer to the extent that the admitted insurer writes workers' compensation
701 insurance in this state and has premiums taxed under Subsection 59-9-101(2).

702 (7) (a) On or before November 30, 2018, and every three years after November 30,
703 2018, the Revenue and Taxation Interim Committee shall review the tax credits provided by
704 this section and make recommendations concerning whether the tax credits should be
705 continued, modified, or repealed.

706 (b) In conducting the review required under Subsection (7)(a), the Revenue and
707 Taxation Interim Committee shall:

- 708 (i) schedule time on at least one committee agenda to conduct the review;
- 709 (ii) invite state agencies, individuals, and organizations concerned with the tax credit
- 710 under review to provide testimony;
- 711 (iii) ensure that the Revenue and Taxation Interim Committee's recommendations
- 712 under this section include an evaluation of:
- 713 (A) the cost of the tax credit to the state;
- 714 (B) the purpose and effectiveness of the tax credit; and
- 715 (C) the extent to which the state benefits from the tax credit; and
- 716 (iv) undertake other review efforts as determined by the chairs of the Revenue and
- 717 Taxation Interim Committee.

718 Section 10. Section **59-10-137** is enacted to read:

719 **59-10-137. Review of credits allowed under this chapter.**

720 (1) As used in this section, "committee" means the Revenue and Taxation Interim

721 Committee.

722 (2) (a) The committee shall review the tax credits described in this chapter as provided

723 in Subsection (3) and make recommendations concerning whether the tax credits should be

724 continued, modified, or repealed.

725 (b) In conducting the review required under Subsection (2)(a), the committee shall:

- 726 (i) schedule time on at least one committee agenda to conduct the review;
- 727 (ii) invite state agencies, individuals, and organizations concerned with the tax credit
- 728 under review to provide testimony;

729 (iii) (A) invite the Governor's Office of Economic Development to present a summary

730 and analysis of the information for each tax credit regarding which the Governor's Office of

731 Economic Development is required to make a report under this chapter; and

732 (B) invite the Office of the Legislative Fiscal Analyst to present a summary and

733 analysis of the information for each tax credit regarding which the Office of the Legislative

734 Fiscal Analyst is required to make a report under this chapter;

735 (iv) ensure that the committee's recommendations under this section include an

736 evaluation of:

- 737 (A) the cost of the tax credit to the state;
- 738 (B) the purpose and effectiveness of the tax credit; and

739 (C) the extent to which the state benefits from the tax credit; and
740 (v) undertake other review efforts as determined by the committee chairs or as
741 otherwise required by law.

742 (3) (a) On or before November 30, 2016, and every three years after November 30,
743 2016, the committee shall conduct the review required under Subsection (2) of the tax credits
744 allowed under the following sections:

- 745 (i) Section 59-10-1007;
- 746 (ii) Section 59-10-1009;
- 747 (iii) Section 59-10-1014;
- 748 (iv) Section 59-10-1017;
- 749 (v) Section 59-10-1018;
- 750 (vi) Section 59-10-1019;
- 751 (vii) Section 59-10-1024;
- 752 (viii) Section 59-10-1029;
- 753 (ix) Section 59-10-1030;
- 754 (x) Section 59-10-1033; and
- 755 (xi) Section 59-10-1106.

756 (b) On or before November 30, 2017, and every three years after November 30, 2017,
757 the committee shall conduct the review required under Subsection (2) of the tax credits allowed
758 under the following sections:

- 759 (i) Section 59-10-1004;
- 760 (ii) Section 59-10-1010;
- 761 (iii) Section 59-10-1015;
- 762 (iv) Section 59-10-1025;
- 763 (v) Section 59-10-1027;
- 764 (vi) Section 59-10-1031;
- 765 (vii) Section 59-10-1032;
- 766 (viii) Section 59-10-1035;
- 767 (ix) Section 59-10-1104;
- 768 (x) Section 59-10-1105;
- 769 (xi) Section 59-10-1108; and

770 (xii) Section 59-10-1109.

771 (c) On or before November 30, 2018, and every three years after November 30, 2018,
772 the committee shall conduct the review required under Subsection (2) of the tax credits allowed
773 under the following sections:

774 (i) Section 59-10-1005;

775 (ii) Section 59-10-1006;

776 (iii) Section 59-10-1012;

777 (iv) Section 59-10-1013;

778 (v) Section 59-10-1021;

779 (vi) Section 59-10-1022;

780 (vii) Section 59-10-1023;

781 (viii) Section 59-10-1028;

782 (ix) Section 59-10-1034; and

783 (x) Section 59-10-1107.

784 (d) (i) In addition to the reviews described in this Subsection (3), the committee shall
785 conduct a review of a tax credit described in this chapter that is enacted on or after January 1,
786 2016.

787 (ii) The committee shall complete a review described in this Subsection (3)(d) three
788 years after the effective date of the tax credit and every three years after the initial review date.

789 Section 11. Section 59-10-1012 is amended to read:

790 **59-10-1012. Tax credits for research activities conducted in the state -- Carry**
791 **forward -- Commission to report modification or repeal of certain federal provisions --**
792 **Revenue and Taxation Interim Committee study.**

793 (1) (a) A claimant, estate, or trust meeting the requirements of this section may claim
794 the following nonrefundable tax credits:

795 (i) a research tax credit of 5% of the claimant's, estate's, or trust's qualified research
796 expenses for the current taxable year that exceed the base amount provided for under
797 Subsection (3);

798 (ii) a tax credit for a payment to a qualified organization for basic research as provided
799 in Section 41(e), Internal Revenue Code of 5% for the current taxable year that exceed the base
800 amount provided for under Subsection (3); and

- 801 (iii) a tax credit equal to 7.5% of the claimant's, estate's, or trust's qualified research
802 expenses for the current taxable year.
- 803 (b) Subject to Subsection (4), a claimant, estate, or trust may claim a tax credit under:
- 804 (i) Subsection (1)(a)(i) or (1)(a)(iii), for the taxable year for which the claimant, estate,
805 or trust incurs the qualified research expenses; or
- 806 (ii) Subsection (1)(a)(ii), for the taxable year for which the claimant, estate, or trust
807 makes the payment to the qualified organization.
- 808 (c) The tax credits provided for in this section do not include the alternative
809 incremental credit provided for in Section 41(c)(4), Internal Revenue Code.
- 810 (2) Except as specifically provided for in this section:
- 811 (a) the tax credits authorized under Subsection (1) shall be calculated as provided in
812 Section 41, Internal Revenue Code; and
- 813 (b) the definitions provided in Section 41, Internal Revenue Code, apply in calculating
814 the tax credits authorized under Subsection (1).
- 815 (3) For purposes of this section:
- 816 (a) the base amount shall be calculated as provided in Sections 41(c) and 41(h),
817 Internal Revenue Code, except that:
- 818 (i) the base amount does not include the calculation of the alternative incremental
819 credit provided for in Section 41(c)(4), Internal Revenue Code;
- 820 (ii) a claimant's, estate's, or trust's gross receipts include only those gross receipts
821 attributable to sources within this state as provided in Section 59-10-118; and
- 822 (iii) notwithstanding Section 41(c), Internal Revenue Code, for purposes of calculating
823 the base amount, a claimant, estate, or trust:
- 824 (A) may elect to be treated as a start-up company as provided in Section 41(c)(3)(B),
825 Internal Revenue Code, regardless of whether the claimant, estate, or trust meets the
826 requirements of Section 41(c)(3)(B)(i)(I) or (II), Internal Revenue Code; and
- 827 (B) may not revoke an election to be treated as a start-up company under Subsection
828 (3)(a)(iii)(A);
- 829 (b) "basic research" is as defined in Section 41(e)(7), Internal Revenue Code, except
830 that the term includes only basic research conducted in this state;
- 831 (c) "qualified research" is as defined in Section 41(d), Internal Revenue Code, except

832 that the term includes only qualified research conducted in this state;

833 (d) "qualified research expenses" is as defined and calculated in Section 41(b), Internal
834 Revenue Code, except that the term includes only:

835 (i) in-house research expenses incurred in this state; and

836 (ii) contract research expenses incurred in this state; and

837 (e) a tax credit provided for in this section is not terminated if a credit terminates under
838 Section 41, Internal Revenue Code.

839 (4) (a) If the amount of a tax credit claimed by a claimant, estate, or trust under
840 Subsection (1)(a)(i) or (ii) exceeds the claimant's, estate's, or trust's tax liability under this
841 chapter for a taxable year, the amount of the tax credit exceeding the tax liability:

842 (i) may be carried forward for a period that does not exceed the next 14 taxable years;
843 and

844 (ii) may not be carried back to a taxable year preceding the current taxable year.

845 (b) A claimant, estate, or trust may not carry forward the tax credit allowed by
846 Subsection (1)(a)(iii).

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

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

854 (7) (a) The Revenue and Taxation Interim Committee shall review the tax credits
855 provided for in this section on or before October 1 of the year after the year in which the
856 commission reports under Subsection (6) a modification or repeal of a provision of Section 41,
857 Internal Revenue Code.

858 (b) The review described in Subsection (7)(a) is in addition to the review required by
859 Section 59-10-137.

860 ~~(b)~~ (c) Notwithstanding Subsection (7)(a), the Revenue and Taxation Interim
861 Committee is not required to review the tax credits provided for in this section if the only
862 modification to a provision of Section 41, Internal Revenue Code, is the extension of the

863 termination date provided for in Section 41(h), Internal Revenue Code.

864 ~~[(e)]~~ (d) The Revenue and Taxation Interim Committee shall address in a review under
865 this section:

866 (i) the cost of the tax credits provided for in this section;

867 (ii) the purpose and effectiveness of the tax credits provided for in this section;

868 (iii) whether the tax credits provided for in this section benefit the state; and

869 (iv) whether the tax credits provided for in this section should be:

870 (A) continued;

871 (B) modified; or

872 (C) repealed.

873 ~~[(d)]~~ (e) If the Revenue and Taxation Interim Committee reviews the tax credits
874 provided for in this section, the committee shall issue a report [its] of the Revenue and
875 Taxation Interim Committee's findings [to the Legislative Management Committee on or
876 before the November interim meeting of the year in which the Revenue and Taxation Interim
877 Committee reviews the tax credits].

878 Section 12. Section **59-10-1013** is amended to read:

879 **59-10-1013. Tax credits for machinery, equipment, or both primarily used for**
880 **conducting qualified research or basic research -- Carry forward -- Commission to report**
881 **modification or repeal of certain federal provisions -- Revenue and Taxation Interim**
882 **Committee study.**

883 (1) As used in this section:

884 (a) "Basic research" ~~[is as]~~ means the same as that term is defined in Section 41(e)(7),
885 Internal Revenue Code, except that the term includes only basic research conducted in this
886 state.

887 (b) "Equipment" includes:

888 (i) a computer;

889 (ii) computer equipment; and

890 (iii) computer software.

891 (c) "Purchase price":

892 (i) includes the cost of installing an item of machinery or equipment; and

893 (ii) does not include a tax imposed under Chapter 12, Sales and Use Tax Act, on an

894 item of machinery or equipment.

895 (d) "Qualified organization" [~~is as~~] means the same as that term is defined in Section
896 41(e)(6), Internal Revenue Code.

897 (e) "Qualified research" [~~is as~~] means the same as that term is defined in Section 41(d),
898 Internal Revenue Code, except that the term includes only qualified research conducted in this
899 state.

900 (2) (a) Except as provided in Subsection (2)(c), for a taxable [~~years~~] year beginning on
901 or after January 1, 1999, but beginning before December 31, 2010, a claimant, estate, or trust
902 meeting the requirements of this section may claim the following nonrefundable tax credits:

903 (i) a tax credit of 6% of the purchase price of machinery, equipment, or both:

904 (A) purchased by the claimant, estate, or trust during the taxable year;

905 (B) that is subject to a tax under Chapter 12, Sales and Use Tax Act; and

906 (C) that is primarily used to conduct qualified research in this state; and

907 (ii) a tax credit of 6% of the purchase price paid by the claimant, estate, or trust for
908 machinery, equipment, or both:

909 (A) purchased by the claimant, estate, or trust during the taxable year;

910 (B) that is subject to a tax under Chapter 12, Sales and Use Tax Act;

911 (C) that is donated to a qualified organization; and

912 (D) that is primarily used to conduct basic research in this state.

913 (b) Subject to Subsection (4), a claimant, estate, or trust may claim a tax credit under
914 this section for the taxable year for which the claimant, estate, or trust purchases the machinery,
915 equipment, or both.

916 (c) If a claimant, estate, or trust qualifies for a tax credit under Subsection (2)(a) for a
917 purchase of machinery, equipment, or both, the claimant, estate, or trust may not claim the tax
918 credit or carry the tax credit forward if the machinery, equipment, or both, is primarily used to
919 conduct qualified research in the state for a time period that is less than 12 consecutive months.

920 (3) Notwithstanding Section 41(h), Internal Revenue Code, a tax credit provided for in
921 this section is not terminated if a credit terminates under Section 41, Internal Revenue Code.

922 (4) If the amount of a tax credit claimed by a claimant, estate, or trust under this section
923 exceeds a claimant's, estate's, or trust's tax liability under this chapter for a taxable year, the
924 amount of the tax credit exceeding the tax liability:

925 (a) may be carried forward for a period that does not exceed the next 14 taxable years;
926 and

927 (b) may not be carried back to a taxable year preceding the current taxable year.

928 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
929 commission may make rules for purposes of this section prescribing a certification process for
930 qualified organizations to ensure that machinery, equipment, or both provided to the qualified
931 organization is to be primarily used to conduct basic research in this state.

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

935 (7) (a) The Revenue and Taxation Interim Committee shall review the tax credits
936 provided for in this section on or before October 1 of the year after the year in which the
937 commission reports under Subsection (6) a modification or repeal of a provision of Section 41,
938 Internal Revenue Code.

939 (b) The review described in Subsection (7)(a) is in addition to the review required by
940 Section 59-10-137.

941 ~~[(b)]~~ (c) Notwithstanding Subsection (7)(a), the Revenue and Taxation Interim
942 Committee is not required to review the tax credits provided for in this section if the only
943 modification to a provision of Section 41, Internal Revenue Code, is the extension of the
944 termination date provided for in Section 41(h), Internal Revenue Code.

945 ~~[(c)]~~ (d) The Revenue and Taxation Interim Committee shall address in a review under
946 this section the:

- 947 (i) cost of the tax credits provided for in this section;
948 (ii) purpose and effectiveness of the tax credits provided for in this section;
949 (iii) whether the tax credits provided for in this section benefit the state; and
950 (iv) whether the tax credits provided for in this section should be:
951 (A) continued;
952 (B) modified; or
953 (C) repealed.

954 ~~[(d)]~~ (e) If the Revenue and Taxation Interim Committee reviews the tax credits
955 provided for in this section, the committee shall issue a report [its] of the Revenue and

956 Taxation Interim Committee's findings [~~to the Legislative Management Committee on or~~
957 ~~before the November interim meeting of the year in which the Revenue and Taxation Interim~~
958 ~~Committee reviews the tax credits~~].

959 Section 13. Section **59-10-1014** is amended to read:

960 **59-10-1014. Nonrefundable renewable energy systems tax credits -- Definitions --**
961 **Certification -- Rulemaking authority -- Revenue and Taxation Interim Committee study.**

962 (1) As used in this section:

963 (a) (i) "Active solar system" means a system of equipment that is capable of:

964 (A) collecting and converting incident solar radiation into thermal, mechanical, or
965 electrical energy; and

966 (B) transferring a form of energy described in Subsection (1)(a)(i)(A) by a separate
967 apparatus to storage or to the point of use.

968 (ii) "Active solar system" includes water heating, space heating or cooling, and
969 electrical or mechanical energy generation.

970 (b) "Biomass system" means a system of apparatus and equipment for use in:

971 (i) converting material into biomass energy, as defined in Section [59-12-102](#); and

972 (ii) transporting the biomass energy by separate apparatus to the point of use or storage.

973 (c) "Direct use geothermal system" means a system of apparatus and equipment that
974 enables the direct use of geothermal energy to meet energy needs, including heating a building,
975 an industrial process, and aquaculture.

976 (d) "Geothermal electricity" means energy that is:

977 (i) contained in heat that continuously flows outward from the earth; and

978 (ii) used as a sole source of energy to produce electricity.

979 (e) "Geothermal energy" means energy generated by heat that is contained in the earth.

980 (f) "Geothermal heat pump system" means a system of apparatus and equipment that:

981 (i) enables the use of thermal properties contained in the earth at temperatures well
982 below 100 degrees Fahrenheit; and

983 (ii) helps meet heating and cooling needs of a structure.

984 (g) "Hydroenergy system" means a system of apparatus and equipment that is capable
985 of:

986 (i) intercepting and converting kinetic water energy into electrical or mechanical

987 energy; and

988 (ii) transferring this form of energy by separate apparatus to the point of use or storage.

989 (h) "Office" means the Office of Energy Development created in Section [63M-4-401](#).

990 (i) (i) "Passive solar system" means a direct thermal system that utilizes the structure of
991 a building and its operable components to provide for collection, storage, and distribution of
992 heating or cooling during the appropriate times of the year by utilizing the climate resources
993 available at the site.

994 (ii) "Passive solar system" includes those portions and components of a building that
995 are expressly designed and required for the collection, storage, and distribution of solar energy.

996 (j) (i) "Principal recovery portion" means the portion of a lease payment that
997 constitutes the cost a person incurs in acquiring a residential energy system.

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

999 (A) an interest charge; or

1000 (B) a maintenance expense.

1001 (k) "Residential energy system" means the following used to supply energy to or for a
1002 residential unit:

1003 (i) an active solar system;

1004 (ii) a biomass system;

1005 (iii) a direct use geothermal system;

1006 (iv) a geothermal heat pump system;

1007 (v) a hydroenergy system;

1008 (vi) a passive solar system; or

1009 (vii) a wind system.

1010 (l) (i) "Residential unit" means a house, condominium, apartment, or similar dwelling
1011 unit that:

1012 (A) is located in the state; and

1013 (B) serves as a dwelling for a person, group of persons, or a family.

1014 (ii) "Residential unit" does not include property subject to a fee under:

1015 (A) Section [59-2-404](#);

1016 (B) Section [59-2-405](#);

1017 (C) Section [59-2-405.1](#);

1018 (D) Section 59-2-405.2; or

1019 (E) Section 59-2-405.3.

1020 (m) "Wind system" means a system of apparatus and equipment that is capable of:

1021 (i) intercepting and converting wind energy into mechanical or electrical energy; and

1022 (ii) transferring these forms of energy by a separate apparatus to the point of use or
1023 storage.

1024 (2) A claimant, estate, or trust may claim an energy system tax credit as provided in
1025 this section against a tax due under this chapter for a taxable year.

1026 (3) (a) Subject to the other provisions of this Subsection (3), a claimant, estate, or trust
1027 may claim a nonrefundable tax credit under this Subsection (3) with respect to a residential unit
1028 the claimant, estate, or trust owns or uses if:

1029 (i) the claimant, estate, or trust:

1030 (A) purchases and completes a residential energy system to supply all or part of the
1031 energy required for the residential unit; or

1032 (B) participates in the financing of a residential energy system to supply all or part of
1033 the energy required for the residential unit;

1034 (ii) the residential energy system is completed and placed in service on or after January
1035 1, 2007; and

1036 (iii) the claimant, estate, or trust obtains a written certification from the office in
1037 accordance with Subsection (4).

1038 (b) (i) Subject to Subsections (3)(b)(ii) through (vi), the tax credit is equal to 25% of
1039 the reasonable costs of each residential energy system installed with respect to each residential
1040 unit the claimant, estate, or trust owns or uses.

1041 (ii) A tax credit under this Subsection (3) may include installation costs.

1042 (iii) A claimant, estate, or trust may claim a tax credit under this Subsection (3) for the
1043 taxable year in which the residential energy system is completed and placed in service.

1044 (iv) If the amount of a tax credit under this Subsection (3) exceeds a claimant's,
1045 estate's, or trust's tax liability under this chapter for a taxable year, the amount of the tax credit
1046 exceeding the liability may be carried forward for a period that does not exceed the next four
1047 taxable years.

1048 (v) The total amount of tax credit a claimant, estate, or trust may claim under this

1049 Subsection (3) may not exceed \$2,000 per residential unit.

1050 (vi) A claimant, estate, or trust may claim a tax credit with respect to additional
1051 residential energy systems or parts of residential energy systems for a subsequent taxable year
1052 if the total amount of tax credit the claimant, estate, or trust claims does not exceed \$2,000 per
1053 residential unit.

1054 (c) (i) Subject to Subsections (3)(c)(ii) and (iii), a claimant, estate, or trust that leases a
1055 residential energy system installed on a residential unit may claim a tax credit under this
1056 Subsection (3) if the claimant, estate, or trust confirms that the lessor irrevocably elects not to
1057 claim the tax credit.

1058 (ii) A claimant, estate, or trust described in Subsection (3)(c)(i) that leases a residential
1059 energy system may claim as a tax credit under this Subsection (3) only the principal recovery
1060 portion of the lease payments.

1061 (iii) A claimant, estate, or trust described in Subsection (3)(c)(i) that leases a residential
1062 energy system may claim a tax credit under this Subsection (3) for a period that does not
1063 exceed seven taxable years after the date the lease begins, as stated in the lease agreement.

1064 (d) If a claimant, estate, or trust sells a residential unit to another person before the
1065 claimant, estate, or trust claims the tax credit under this Subsection (3):

1066 (i) the claimant, estate, or trust may assign the tax credit to the other person; and

1067 (ii) (A) if the other person files a return under Chapter 7, Corporate Franchise and
1068 Income Taxes, the other person may claim the tax credit as if the other person had met the
1069 requirements of Section 59-7-614 to claim the tax credit; or

1070 (B) if the other person files a return under this chapter, the other person may claim the
1071 tax credit under this section as if the other person had met the requirements of this section to
1072 claim the tax credit.

1073 (4) (a) Before a claimant, estate, or trust may claim a tax credit under this section, the
1074 claimant, estate, or trust shall obtain a written certification from the office.

1075 (b) The office shall issue a claimant, estate, or trust a written certification if the office
1076 determines that:

1077 (i) the claimant, estate, or trust meets the requirements of this section to receive a tax
1078 credit; and

1079 (ii) the office determines that the residential energy system with respect to which the

1080 claimant, estate, or trust seeks to claim a tax credit:

1081 (A) has been completely installed;

1082 (B) is a viable system for saving or producing energy from renewable resources; and

1083 (C) is safe, reliable, efficient, and technically feasible to ensure that the residential
1084 energy system uses the state's renewable and nonrenewable energy resources in an appropriate
1085 and economic manner.

1086 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1087 office may make rules:

1088 (i) for determining whether a residential energy system meets the requirements of
1089 Subsection (4)(b)(ii); and

1090 (ii) for purposes of a tax credit under Subsection (3), establishing the reasonable costs
1091 of a residential energy system, as an amount per unit of energy production.

1092 (d) A claimant, estate, or trust that obtains a written certification from the office shall
1093 retain the certification for the same time period a person is required to keep books and records
1094 under Section [59-1-1406](#).

1095 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1096 commission may make rules to address the certification of a tax credit under this section.

1097 (6) A tax credit under this section is in addition to any tax credits provided under the
1098 laws or rules and regulations of the United States.

1099 (7) A purchaser of one or more solar units that claims a tax credit under Section
1100 [59-10-1024](#) for the purchase of the one or more solar units may not claim a tax credit under this
1101 section for that purchase.

1102 ~~[(8)(a) On or before October 1, 2017, and every five years after 2017, the Revenue and
1103 Taxation Interim Committee shall review each tax credit provided by this section and report its
1104 recommendations to the Legislative Management Committee concerning whether the tax credit
1105 should be continued, modified, or repealed.]~~

1106 ~~[(b) The Revenue and Taxation Interim Committee's report under Subsection (8)(a)
1107 shall include information concerning the cost of the tax credit, the purpose and effectiveness of
1108 the tax credit, and the state's benefit from the tax credit.]~~

1109 Section 14. Section **59-10-1024** is amended to read:

1110 **59-10-1024. Nonrefundable tax credit for qualifying solar projects.**

- 1111 (1) As used in this section:
- 1112 (a) "Active solar system" [~~is~~ as] means the same as that term is defined in Section
- 1113 59-10-1014.
- 1114 (b) "Purchaser" means a claimant, estate, or trust that purchases one or more solar units
- 1115 from a qualifying political subdivision.
- 1116 (c) "Qualifying political subdivision" means:
- 1117 (i) a city or town in this state;
- 1118 (ii) an interlocal entity created under Title 11, Chapter 13, Interlocal Cooperation Act;
- 1119 or
- 1120 (iii) a special service district created under Title 17D, Chapter 1, Special Service
- 1121 District Act.
- 1122 (d) "Qualifying solar project" means the portion of an active solar system:
- 1123 (i) that a qualifying political subdivision:
- 1124 (A) constructs;
- 1125 (B) controls; or
- 1126 (C) owns;
- 1127 (ii) with respect to which the qualifying political subdivision described in Subsection
- 1128 (1)(c)(i) sells one or more solar units; and
- 1129 (iii) that generates electrical output that is furnished:
- 1130 (A) to one or more residential units; or
- 1131 (B) for the benefit of one or more residential units.
- 1132 (e) "Residential unit" [~~is~~ as] means the same as that term is defined in Section
- 1133 59-10-1014.
- 1134 (f) "Solar unit" means a portion of the electrical output:
- 1135 (i) of a qualifying solar project;
- 1136 (ii) that a qualifying political subdivision sells to a purchaser; and
- 1137 (iii) the purchase of which requires that the purchaser agree to bear a proportionate
- 1138 share of the expense of the qualifying solar project:
- 1139 (A) in accordance with a written agreement between the purchaser and the qualifying
- 1140 political subdivision;
- 1141 (B) in exchange for a credit on the purchaser's electrical bill; and

1142 (C) as determined by a formula established by the qualifying political subdivision.

1143 (2) Subject to Subsection (3), for taxable years beginning on or after January 1, 2009, a
1144 purchaser may claim a nonrefundable tax credit equal to the product of:

1145 (a) the amount the purchaser pays to purchase one or more solar units during the
1146 taxable year; and

1147 (b) 25%.

1148 (3) For a taxable year, a tax credit under this section may not exceed \$2,000 on a
1149 return.

1150 (4) A purchaser may carry forward a tax credit under this section for a period that does
1151 not exceed the next four taxable years if:

1152 (a) the purchaser is allowed to claim a tax credit under this section for a taxable year;
1153 and

1154 (b) the amount of the tax credit exceeds the purchaser's tax liability under this chapter
1155 for that taxable year.

1156 (5) Subject to Section 59-10-1014, a tax credit under this section is in addition to any
1157 other tax credit allowed by this chapter.

1158 ~~[(6) (a) On or before October 1, 2012, and every five years after October 1, 2012, the
1159 Revenue and Taxation Interim Committee shall review the tax credit allowed by this section
1160 and report its recommendations to the Legislative Management Committee concerning whether
1161 the tax credit should be continued, modified, or repealed.]~~

1162 ~~[(b) The Revenue and Taxation Interim Committee's report under Subsection (6)(a)
1163 shall include information concerning the cost of the tax credit, the purpose and effectiveness of
1164 the tax credit, and the state's benefit from the tax credit.]~~

1165 Section 15. Section 59-10-1029 is amended to read:

1166 **59-10-1029. Nonrefundable alternative energy development tax credit.**

1167 (1) As used in this section:

1168 (a) "Alternative energy entity" ~~[is as]~~ means the same as that term is defined in Section
1169 63M-4-502.

1170 (b) "Alternative energy project" ~~[is as]~~ means the same as that term is defined in
1171 Section 63M-4-502.

1172 (c) "Office" ~~[is as defined]~~ means the Office of Energy Development created in Section

1173 [63M-4-401](#).

1174 (2) Subject to the other provisions of this section, an alternative energy entity may
1175 claim a nonrefundable tax credit for alternative energy development as provided in this section.

1176 (3) The tax credit under this section is the amount listed as the tax credit amount on a
1177 tax credit certificate that the office issues under Title 63M, Chapter 4, Part 5, Alternative
1178 Energy Development Tax Credit Act, to the alternative energy entity for the taxable year.

1179 (4) An alternative energy entity may carry forward a tax credit under this section for a
1180 period that does not exceed the next seven taxable years if:

1181 (a) the alternative energy entity is allowed to claim a tax credit under this section for a
1182 taxable year; and

1183 (b) the amount of the tax credit exceeds the alternative energy entity's tax liability
1184 under this chapter for that taxable year.

1185 (5) (a) [~~On or before October 1, 2017, and every five years after October 1, 2017~~] In
1186 accordance with Section [59-10-137](#), the Revenue and Taxation Interim Committee shall study
1187 the tax credit allowed by this section and make recommendations [~~to the Legislative~~
1188 ~~Management Committee~~] concerning whether the tax credit should be continued, modified, or
1189 repealed.

1190 (b) For purposes of the study required by this Subsection (5), the office shall provide
1191 the following information to the [~~Revenue and Taxation Interim Committee~~] Office of the
1192 Legislative Fiscal Analyst:

1193 (i) the amount of tax credit that the office grants to each alternative energy entity for
1194 each taxable year;

1195 (ii) the new state revenues generated by each alternative energy project;

1196 (iii) the information contained in the office's latest report [~~to the Legislature~~] under
1197 Section [63M-4-505](#); and

1198 (iv) any other information that the [~~Revenue and Taxation Interim Committee~~] Office
1199 of the Legislative Fiscal Analyst requests.

1200 (c) As part of the study required by this Subsection (5), the Office of the Legislative
1201 Fiscal Analyst shall report to the Revenue and Taxation Interim Committee a summary and
1202 analysis of the information provided to the Office of the Legislative Fiscal Analyst by the
1203 office under Subsection (5)(b).

1204 ~~[(e)]~~ (d) The Revenue and Taxation Interim Committee shall ensure that ~~[its]~~ the
1205 Revenue and Taxation Interim Committee's recommendations under Subsection (5)(a) include
1206 an evaluation of:

- 1207 (i) the cost of the tax credit to the state;
- 1208 (ii) the purpose and effectiveness of the tax credit; and
- 1209 (iii) the extent to which the state benefits from the tax credit.

1210 Section 16. Section **59-10-1030** is amended to read:

1211 **59-10-1030. Nonrefundable alternative energy manufacturing tax credit.**

1212 (1) As used in this section:

1213 (a) "Alternative energy entity" ~~[is as]~~ means the same as that term is defined in Section
1214 63N-2-702.

1215 (b) "Alternative energy manufacturing project" ~~[is as]~~ means the same as that term is
1216 defined in Section 63N-2-702.

1217 (c) "Office" means the Governor's Office of Economic Development.

1218 (2) Subject to the other provisions of this section, an alternative energy entity may
1219 claim a nonrefundable tax credit for alternative energy manufacturing as provided in this
1220 section.

1221 (3) The tax credit under this section is the amount listed as the tax credit amount on a
1222 tax credit certificate that the office issues under Title 63N, Chapter 2, Part 7, Alternative
1223 Energy Manufacturing Tax Credit Act, to the alternative energy entity for the taxable year.

1224 (4) An alternative energy entity may carry forward a tax credit under this section for a
1225 period that does not exceed the next seven taxable years if:

1226 (a) the alternative energy entity is allowed to claim a tax credit under this section for a
1227 taxable year; and

1228 (b) the amount of the tax credit exceeds the alternative energy entity's tax liability
1229 under this chapter for that taxable year.

1230 (5) (a) ~~[On or before October 1, 2017, and every five years after October 1, 2017]~~ In
1231 accordance with Section 59-10-137, the Revenue and Taxation Interim Committee shall study
1232 the tax credit allowed by this section and make recommendations ~~[to the Legislative~~
1233 ~~Management Committee]~~ concerning whether the tax credit should be continued, modified, or
1234 repealed.

1235 (b) For purposes of the study required by this Subsection (5), the office shall provide
1236 the following information to the [~~Revenue and Taxation Interim Committee~~] Office of the
1237 Legislative Fiscal Analyst:

1238 (i) the amount of tax credit that the office grants to each alternative energy entity for
1239 each taxable year;

1240 (ii) the new state revenues generated by each alternative energy manufacturing project;

1241 (iii) the information contained in the office's latest report to the Legislature under
1242 Section [63N-2-705](#); and

1243 (iv) any other information that the [~~Revenue and Taxation Interim Committee~~] Office
1244 of the Legislative Fiscal Analyst requests.

1245 (c) As part of the study required by this Subsection (5), the Office of the Legislative
1246 Fiscal Analyst shall report to the Revenue and Taxation Interim Committee a summary and
1247 analysis of the information provided to the Office of the Legislative Fiscal Analyst by the
1248 office under Subsection (5)(b).

1249 [~~(c)~~] (d) The Revenue and Taxation Interim Committee shall ensure that its
1250 recommendations under Subsection (5)(a) include an evaluation of:

1251 (i) the cost of the tax credit to the state;

1252 (ii) the purpose and effectiveness of the tax credit; and

1253 (iii) the extent to which the state benefits from the tax credit.

1254 Section 17. Section **59-10-1034** is amended to read:

1255 **59-10-1034. Nonrefundable high cost infrastructure development tax credit.**

1256 (1) As used in this section:

1257 (a) "High cost infrastructure project" means the same as that term is defined in Section
1258 [63M-4-602](#).

1259 (b) "Infrastructure cost-burdened entity" means the same as that term is defined in
1260 Section [63M-4-602](#).

1261 (c) "Infrastructure-related revenue" means the same as that term is defined in Section
1262 [63M-4-602](#).

1263 (d) "Office" means the Office of Energy Development created in Section [63M-4-401](#).

1264 (2) Subject to the other provisions of this section, a claimant, estate, or trust that is an
1265 infrastructure cost-burdened entity may claim a nonrefundable tax credit for development of a

1266 high cost infrastructure project as provided in this section.

1267 (3) The tax credit under this section is the amount listed as the tax credit amount on a
1268 tax credit certificate that the office issues under Title 63M, Chapter 4, Part 6, High Cost
1269 Infrastructure Development Tax Credit Act, to the infrastructure cost-burdened entity for the
1270 taxable year.

1271 (4) An infrastructure cost-burdened entity may carry forward a tax credit under this
1272 section for a period that does not exceed the next seven taxable years if:

1273 (a) the infrastructure cost-burdened entity is allowed to claim a tax credit under this
1274 section for a taxable year; and

1275 (b) the amount of the tax credit exceeds the infrastructure cost-burdened entity's tax
1276 liability under this chapter for that taxable year.

1277 (5) (a) [~~On or before October 1, 2020, and every five years after October 1, 2020~~] In
1278 accordance with Section 59-10-137, the Revenue and Taxation Interim Committee shall study
1279 the tax credit allowed by this section and make recommendations [~~to the Legislative~~
1280 ~~Management Committee~~] concerning whether the tax credit should be continued, modified, or
1281 repealed.

1282 (b) For purposes of the study required by this Subsection (5), the office shall provide
1283 the following information to the [~~Revenue and Taxation Interim Committee~~] Office of the
1284 Legislative Fiscal Analyst:

1285 (i) the amount of tax credit that the office grants to each infrastructure cost-burdened
1286 entity for each taxable year;

1287 (ii) the infrastructure-related revenue generated by each high cost infrastructure project;

1288 (iii) the information contained in the office's latest report [~~to the Legislature~~] under
1289 Section 63M-4-505; and

1290 (iv) any other information that the [~~Revenue and Taxation Interim Committee~~] Office
1291 of the Legislative Fiscal Analyst requests.

1292 (c) As part of the study required by this Subsection (5), the Office of the Legislative
1293 Fiscal Analyst shall report to the Revenue and Taxation Interim Committee a summary and
1294 analysis of the information provided to the Office of the Legislative Fiscal Analyst by the
1295 office under Subsection (5)(b).

1296 [~~(e)~~] (d) The Revenue and Taxation Interim Committee shall ensure that the Revenue

1297 and Taxation Interim Committee's recommendations under Subsection (5)(a) include an
1298 evaluation of:

- 1299 (i) the cost of the tax credit to the state;
- 1300 (ii) the purpose and effectiveness of the tax credit; and
- 1301 (iii) the extent to which the state benefits from the tax credit.

1302 Section 18. Section **59-10-1106** is amended to read:

1303 **59-10-1106. Refundable renewable energy systems tax credits -- Definitions --**
1304 **Certification -- Rulemaking authority -- Revenue and Taxation Interim Committee study.**

1305 (1) As used in this section:

1306 (a) "Active solar system" [~~has the same meaning as~~] means the same as that term is
1307 defined in Section [59-10-1014](#).

1308 (b) "Biomass system" [~~has the same meaning as~~] means the same as that term is
1309 defined in Section [59-10-1014](#).

1310 (c) "Commercial energy system" [~~has the same meaning as~~] means the same as that
1311 term is defined in Section [59-7-614](#).

1312 (d) "Commercial enterprise" [~~has the same meaning as~~] means the same as that term is
1313 defined in Section [59-7-614](#).

1314 (e) (i) "Commercial unit" [~~has the same meaning as~~] means the same as that term is
1315 defined in Section [59-7-614](#).

1316 (ii) Notwithstanding Subsection (1)(e)(i):

1317 (A) with respect to an active solar system used for agricultural water pumping or a
1318 wind system, each individual energy generating device is considered to be a commercial unit;
1319 or

1320 (B) if an energy system is the building or structure that a claimant, estate, or trust uses
1321 to transact business, a commercial unit is the complete energy system itself.

1322 (f) "Direct use geothermal system" [~~has the same meaning as~~] means the same as that
1323 term is defined in Section [59-10-1014](#).

1324 (g) "Geothermal electricity" [~~has the same meaning as~~] means the same as that term is
1325 defined in Section [59-10-1014](#).

1326 (h) "Geothermal energy" [~~has the same meaning as~~] means the same as that term is
1327 defined in Section [59-10-1014](#).

1328 (i) "Geothermal heat pump system" [~~has the same meaning as~~] means the same as that
1329 term is defined in Section 59-10-1014.

1330 (j) "Hydroenergy system" [~~has the same meaning as~~] means the same as that term is
1331 defined in Section 59-10-1014.

1332 (k) "Office" means the Office of Energy Development created in Section 63M-4-401.

1333 (l) "Passive solar system" [~~has the same meaning as~~] means the same as that term is
1334 defined in Section 59-10-1014.

1335 (m) "Principal recovery portion" [~~has the same meaning as~~] means the same as that
1336 term is defined in Section 59-10-1014.

1337 (n) "Wind system" [~~has the same meaning as~~] means the same as that term is defined in
1338 Section 59-10-1014.

1339 (2) A claimant, estate, or trust may claim an energy system tax credit as provided in
1340 this section against a tax due under this chapter for a taxable year.

1341 (3) (a) Subject to the other provisions of this Subsection (3), a claimant, estate, or trust
1342 may claim a refundable tax credit under this Subsection (3) with respect to a commercial
1343 energy system if:

1344 (i) the commercial energy system does not use:

1345 (A) wind, geothermal electricity, solar, or biomass equipment capable of producing a
1346 total of 660 or more kilowatts of electricity; or

1347 (B) solar equipment capable of producing 2,000 or more kilowatts of electricity;

1348 (ii) the claimant, estate, or trust purchases or participates in the financing of the
1349 commercial energy system;

1350 (iii) (A) the commercial energy system supplies all or part of the energy required by
1351 commercial units owned or used by the claimant, estate, or trust; or

1352 (B) the claimant, estate, or trust sells all or part of the energy produced by the
1353 commercial energy system as a commercial enterprise;

1354 (iv) the commercial energy system is completed and placed in service on or after
1355 January 1, 2007; and

1356 (v) the claimant, estate, or trust obtains a written certification from the office in
1357 accordance with Subsection (6).

1358 (b) (i) Subject to Subsections (3)(b)(ii) through (v), the tax credit is equal to 10% of the

1359 reasonable costs of the commercial energy system.

1360 (ii) A tax credit under this Subsection (3) may include installation costs.

1361 (iii) A claimant, estate, or trust may claim a tax credit under this Subsection (3) for the
1362 taxable year in which the commercial energy system is completed and placed in service.

1363 (iv) A tax credit under this Subsection (3) may not be carried forward or carried back.

1364 (v) The total amount of tax credit a claimant, estate, or trust may claim under this
1365 Subsection (3) may not exceed \$50,000 per commercial unit.

1366 (c) (i) Subject to Subsections (3)(c)(ii) and (iii), a claimant, estate, or trust that is a
1367 lessee of a commercial energy system installed on a commercial unit may claim a tax credit
1368 under this Subsection (3) if the claimant, estate, or trust confirms that the lessor irrevocably
1369 elects not to claim the tax credit.

1370 (ii) A claimant, estate, or trust described in Subsection (3)(c)(i) may claim as a tax
1371 credit under this Subsection (3) only the principal recovery portion of the lease payments.

1372 (iii) A claimant, estate, or trust described in Subsection (3)(c)(i) may claim a tax credit
1373 under this Subsection (3) for a period that does not exceed seven taxable years after the date the
1374 lease begins, as stated in the lease agreement.

1375 (4) (a) Subject to the other provisions of this Subsection (4), a claimant, estate, or trust
1376 may claim a refundable tax credit under this Subsection (4) with respect to a commercial
1377 energy system if:

1378 (i) the commercial energy system uses wind, geothermal electricity, or biomass
1379 equipment capable of producing a total of 660 or more kilowatts of electricity;

1380 (ii) (A) the commercial energy system supplies all or part of the energy required by
1381 commercial units owned or used by the claimant, estate, or trust; or

1382 (B) the claimant, estate, or trust sells all or part of the energy produced by the
1383 commercial energy system as a commercial enterprise;

1384 (iii) the commercial energy system is completed and placed in service on or after
1385 January 1, 2007; and

1386 (iv) the claimant, estate, or trust obtains a written certification from the office in
1387 accordance with Subsection (6).

1388 (b) (i) Subject to Subsections (4)(b)(ii) and (iii), a tax credit under this Subsection (4)
1389 is equal to the product of:

- 1390 (A) 0.35 cents; and
- 1391 (B) the kilowatt hours of electricity produced and used or sold during the taxable year.
- 1392 (ii) A tax credit under this Subsection (4) may be claimed for production occurring
- 1393 during a period of 48 months beginning with the month in which the commercial energy
- 1394 system is placed in commercial service.
- 1395 (iii) A tax credit under this Subsection (4) may not be carried forward or back.
- 1396 (c) A claimant, estate, or trust that is a lessee of a commercial energy system installed
- 1397 on a commercial unit may claim a tax credit under this Subsection (4) if the claimant, estate, or
- 1398 trust confirms that the lessor irrevocably elects not to claim the tax credit.
- 1399 (5) (a) Subject to the other provisions of this Subsection (5), a claimant, estate, or trust
- 1400 may claim a refundable tax credit as provided in this Subsection (5) if:
- 1401 (i) the claimant, estate, or trust owns a commercial energy system that uses solar
- 1402 equipment capable of producing a total of 660 or more kilowatts of electricity;
- 1403 (ii) (A) the commercial energy system supplies all or part of the energy required by
- 1404 commercial units owned or used by the claimant, estate, or trust; or
- 1405 (B) the claimant, estate, or trust sells all or part of the energy produced by the
- 1406 commercial energy system as a commercial enterprise;
- 1407 (iii) the claimant, estate, or trust does not claim a tax credit under Subsection (3);
- 1408 (iv) the commercial energy system is completed and placed in service on or after
- 1409 January 1, 2015; and
- 1410 (v) the claimant, estate, or trust obtains a written certification from the office in
- 1411 accordance with Subsection (6).
- 1412 (b) (i) Subject to Subsections (5)(b)(ii) and (iii), a tax credit under this Subsection (5)
- 1413 is equal to the product of:
- 1414 (A) 0.35 cents; and
- 1415 (B) the kilowatt hours of electricity produced and used or sold during the taxable year.
- 1416 (ii) A tax credit under this Subsection (5) may be claimed for production occurring
- 1417 during a period of 48 months beginning with the month in which the commercial energy
- 1418 system is placed in commercial service.
- 1419 (iii) A tax credit under this Subsection (5) may not be carried forward or carried back.
- 1420 (c) A claimant, estate, or trust that is a lessee of a commercial energy system installed

1421 on a commercial unit may claim a tax credit under this Subsection (5) if the claimant, estate, or
1422 trust confirms that the lessor irrevocably elects not to claim the tax credit.

1423 (6) (a) Before a claimant, estate, or trust may claim a tax credit under this section, the
1424 claimant, estate, or trust shall obtain a written certification from the office.

1425 (b) The office shall issue a claimant, estate, or trust a written certification if the office
1426 determines that:

1427 (i) the claimant, estate, or trust meets the requirements of this section to receive a tax
1428 credit; and

1429 (ii) the office determines that the commercial energy system with respect to which the
1430 claimant, estate, or trust seeks to claim a tax credit:

1431 (A) has been completely installed;

1432 (B) is a viable system for saving or producing energy from renewable resources; and

1433 (C) is safe, reliable, efficient, and technically feasible to ensure that the commercial
1434 energy system uses the state's renewable and nonrenewable resources in an appropriate and
1435 economic manner.

1436 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1437 office may make rules:

1438 (i) for determining whether a commercial energy system meets the requirements of
1439 Subsection (6)(b)(ii); and

1440 (ii) for purposes of a tax credit under Subsection (3), establishing the reasonable costs
1441 of a commercial energy system, as an amount per unit of energy production.

1442 (d) A claimant, estate, or trust that obtains a written certification from the office shall
1443 retain the certification for the same time period a person is required to keep books and records
1444 under Section [59-1-1406](#).

1445 (7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1446 commission may make rules to address the certification of a tax credit under this section.

1447 (8) A tax credit under this section is in addition to any tax credits provided under the
1448 laws or rules and regulations of the United States.

1449 (9) A purchaser of one or more solar units that claims a tax credit under Section
1450 [59-10-1024](#) for the purchase of the one or more solar units may not claim a tax credit under this
1451 section for that purchase.

1452 ~~[(10)(a) On or before October 1, 2017, and every five years after 2017, the Revenue~~
1453 ~~and Taxation Interim Committee shall review each tax credit provided by this section and~~
1454 ~~report its recommendations to the Legislative Management Committee concerning whether the~~
1455 ~~credit should be continued, modified, or repealed.]~~

1456 ~~[(b) The Revenue and Taxation Interim Committee's report under Subsection (10)(a)~~
1457 ~~shall include information concerning the cost of the credit, the purpose and effectiveness of the~~
1458 ~~credit, and the state's benefit from the credit.]~~

1459 Section 19. Section **59-10-1107** is amended to read:

1460 **59-10-1107. Refundable economic development tax credit.**

1461 (1) As used in this section:

1462 (a) "Business entity" means a claimant, estate, or trust that meets the definition of
1463 ~~[a]business entity[^a]~~ as defined in Section [63N-2-103](#).

1464 (b) "Office" means the Governor's Office of Economic Development.

1465 (2) Subject to the other provisions of this section, a business entity may claim a
1466 refundable tax credit for economic development.

1467 (3) The tax credit under this section is the amount listed as the tax credit amount on the
1468 tax credit certificate that the office issues to the business entity for the taxable year.

1469 (4) (a) In accordance with any rules prescribed by the commission under Subsection
1470 (4)(b), the commission shall make a refund to a business entity that claims a tax credit under
1471 this section if the amount of the tax credit exceeds the business entity's tax liability for a
1472 taxable year.

1473 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1474 commission may make rules providing procedures for making a refund to a business entity as
1475 required by Subsection (4)(a).

1476 (5) (a) ~~[On or before October 1, 2013, and every five years after October 1, 2013]~~ In
1477 accordance with Section [59-10-137](#), the Revenue and Taxation Interim Committee shall study
1478 the tax credit allowed by this section and make recommendations ~~[to the Legislative~~
1479 ~~Management Committee]~~ concerning whether the tax credit should be continued, modified, or
1480 repealed.

1481 (b) For purposes of the study required by this Subsection (5), the office shall provide
1482 the following information ~~[to the Revenue and Taxation Interim Committee]:~~

- 1483 (i) the amount of tax credit the office grants to each taxpayer for each calendar year;
1484 (ii) the criteria the office uses in granting a tax credit;
1485 (iii) the new state revenues generated by each taxpayer for each calendar year;
1486 (iv) the information contained in the office's latest report to the Legislature under
1487 Section [63N-2-106](#); and
1488 (v) any other information that the Revenue and Taxation Interim Committee requests.

1489 (c) The Revenue and Taxation Interim Committee shall ensure that ~~[its]~~ the Revenue
1490 and Taxation Interim Committee's recommendations under Subsection (5)(a) include an
1491 evaluation of:

- 1492 (i) the cost of the tax credit to the state;
1493 (ii) the purpose and effectiveness of the tax credit; and
1494 (iii) the extent to which the state benefits from the tax credit.

1495 Section 20. Section **59-10-1108** is amended to read:

1496 **59-10-1108. Refundable motion picture tax credit.**

1497 (1) As used in this section:

1498 (a) "Motion picture company" means a claimant, estate, or trust that meets the
1499 definition of a motion picture company under Section [63N-8-102](#).

1500 (b) "Office" means the Governor's Office of Economic Development.

1501 (c) "State-approved production" ~~[has the same meaning as]~~ means the same as that
1502 term is defined in Section [63N-8-102](#).

1503 (2) For a taxable ~~[years]~~ year beginning on or after January 1, 2009, a motion picture
1504 company may claim a refundable tax credit for a state-approved production.

1505 (3) The tax credit under this section is the amount listed as the tax credit amount on the
1506 tax credit certificate that the office issues to a motion picture company under Section
1507 [63N-8-103](#) for the taxable year.

1508 (4) (a) In accordance with any rules prescribed by the commission under Subsection
1509 (4)(b), the commission shall make a refund to a motion picture company that claims a tax
1510 credit under this section if the amount of the tax credit exceeds the motion picture company's
1511 tax liability for the taxable year.

1512 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1513 commission may make rules providing procedures for making a refund to a motion picture

1514 company as required by Subsection (4)(a).

1515 (5) (a) [~~On or before October 1, 2014, and every five years after October 1, 2014,~~] In
1516 accordance with Section 59-10-137, the Revenue and Taxation Interim Committee shall study
1517 the tax credit allowed by this section and make recommendations [~~to the Legislative~~
1518 ~~Management Committee~~] concerning whether the tax credit should be continued, modified, or
1519 repealed.

1520 (b) For purposes of the study required by this Subsection (5), the office shall provide
1521 the following information to the [~~Revenue and Taxation Interim Committee~~] Office of the
1522 Legislative Fiscal Analyst:

1523 (i) the amount of tax credit the office grants to each taxpayer for each calendar year;

1524 (ii) the criteria the office uses in granting a tax credit;

1525 (iii) the dollars left in the state, as defined in Section 63N-8-102, by each motion
1526 picture company for each calendar year;

1527 (iv) the information contained in the office's latest report to the Legislature under
1528 Section 63N-8-105; and

1529 (v) any other information requested by the [~~Revenue and Taxation Interim Committee~~]
1530 Office of the Legislative Fiscal Analyst.

1531 (c) As part of the study required by this Subsection (5), the Office of the Legislative
1532 Fiscal Analyst shall report to the Revenue and Taxation Interim Committee a summary and
1533 analysis of the information provided to the Office of the Legislative Fiscal Analyst by the
1534 office under Subsection (5)(b).

1535 [~~(c)~~] (d) The Revenue and Taxation Interim Committee shall ensure that [~~its~~] the
1536 Revenue and Taxation Interim Committee's recommendations under Subsection (5)(a) include
1537 an evaluation of:

1538 (i) the cost of the tax credit to the state;

1539 (ii) the effectiveness of the tax credit; and

1540 (iii) the extent to which the state benefits from the tax credit.

1541 Section 21. Section 59-13-202 is amended to read:

1542 **59-13-202. Refund of tax for agricultural uses on individual income and**
1543 **corporate franchise and income tax returns -- Application for permit for refund --**
1544 **Division of Finance to pay claims -- Rules permitted to enforce part -- Penalties.**

1545 (1) As used in this section:

1546 (a) (i) Except as provided in Subsection (1)(a)(ii), "claimant" means a resident or
1547 nonresident person.

1548 (ii) "Claimant" does not include an estate or trust.

1549 (b) "Estate" means a nonresident estate or a resident estate.

1550 (c) "Refundable tax credit" or "tax credit" means a tax credit that a claimant, estate, or
1551 trust may claim:

1552 (i) as provided by statute; and

1553 (ii) regardless of whether, for the taxable year for which the claimant, estate, or trust
1554 claims the tax credit, the claimant, estate, or trust has a tax liability under:

1555 (A) Chapter 7, Corporate Franchise and Income Taxes; or

1556 (B) Chapter 10, Individual Income Tax Act.

1557 (d) "Trust" means a nonresident trust or a resident trust.

1558 (2) Any claimant, estate, or trust that purchases and uses any motor fuel within the state
1559 for the purpose of operating or propelling stationary farm engines and self-propelled farm
1560 machinery used for nonhighway agricultural uses, and that has paid the tax on the motor fuel as
1561 provided by this part, is entitled to a refund of the tax subject to the conditions and limitations
1562 provided under this part.

1563 (3) (a) A claimant, estate, or trust desiring a nonhighway agricultural use refund under
1564 this part shall claim the refund as a refundable tax credit on the tax return the claimant, estate,
1565 or trust files under:

1566 (i) Chapter 7, Corporate Franchise and Income Taxes; or

1567 (ii) Chapter 10, Individual Income Tax Act.

1568 (b) A claimant, estate, or trust not subject to filing a tax return described in Subsection
1569 (3)(a) shall obtain a permit and file claims on a calendar year basis.

1570 (c) Any claimant, estate, or trust claiming a refundable tax credit under this section is
1571 required to furnish any or all of the information outlined in this section upon request of the
1572 commission.

1573 (d) A refundable tax credit under this section is allowed only on purchases on which
1574 tax is paid during the taxable year covered by the tax return.

1575 (4) In order to obtain a permit for a refund of motor fuel tax paid, an application shall

1576 be filed containing:

1577 (a) the name of the claimant, estate, or trust;

1578 (b) the claimant's, estate's, or trust's address;

1579 (c) location and number of acres owned and operated, location and number of acres
1580 rented and operated, the latter of which shall be verified by a signed statement from the legal
1581 owner;

1582 (d) number of acres planted to each crop, type of soil, and whether irrigated or dry; and

1583 (e) make, size, type of fuel used, and power rating of each piece of equipment using
1584 fuel. If the claimant, estate, or trust is an operator of self-propelled or tractor-pulled farm
1585 machinery with which the claimant, estate, or trust works for hire doing custom jobs for other
1586 farmers, the application shall include information the commission requires and shall all be
1587 contained in, and be considered part of, the original application. The claimant, estate, or trust
1588 shall also file with the application a certificate from the county assessor showing each piece of
1589 equipment using fuel. This original application and all information contained in it constitutes a
1590 permanent file with the commission in the name of the claimant, estate, or trust.

1591 (5) Any claimant, estate, or trust claiming the right to a refund of motor fuel tax paid
1592 shall file a claim with the commission by April 15 of each year for the refund for the previous
1593 calendar year. The claim shall state the name and address of the claimant, estate, or trust, the
1594 number of gallons of motor fuel purchased for nonhighway agricultural uses, and the amount
1595 paid for the motor fuel. The claimant, estate, or trust shall retain the original invoice to support
1596 the claim. No more than one claim for a tax refund may be filed annually by each user of
1597 motor fuel purchased for nonhighway agricultural uses.

1598 (6) Upon commission approval of the claim for a refund, the Division of Finance shall
1599 pay the amount found due to the claimant, estate, or trust. The total amount of claims for
1600 refunds shall be paid from motor fuel taxes.

1601 (7) The commission may [~~promulgate~~] make rules to enforce this part[;] and may
1602 refuse to accept as evidence of purchase or payment any instruments [~~which~~] that show
1603 alteration or [~~which~~] that fail to indicate the quantity of the purchase, the price of the motor
1604 fuel, a statement that it is purchased for purposes other than transportation, and the date of
1605 purchase and delivery. If the commission is not satisfied with the evidence submitted in
1606 connection with the claim, it may reject the claim or require additional evidence.

1607 (8) Any claimant, estate, or trust aggrieved by the decision of the commission with
1608 respect to a refundable tax credit or refund may file a request for agency action, requesting a
1609 hearing before the commission.

1610 (9) Any claimant, estate, or trust that makes any false claim, report, or statement, as
1611 claimant, estate, trust, agent, or creditor, with intent to defraud or secure a refund to which the
1612 claimant, estate, or trust is not entitled, is subject to the criminal penalties provided under
1613 Section 59-1-401, and the commission shall initiate the filing of a complaint for alleged
1614 violations of this part. In addition to these penalties, the claimant, estate, or trust may not
1615 receive any refund as a claimant, estate, or trust or as a creditor of a claimant, estate, or trust for
1616 refund for a period of five years.

1617 (10) Refunds to which a claimant, estate, or trust is entitled under this part shall be paid
1618 from the Transportation Fund.

1619 (11) (a) On or before November 30, 2017, and every three years after November 30,
1620 2017, the Revenue and Taxation Interim Committee shall review the tax credits provided by
1621 this section and make recommendations concerning whether the tax credits should be
1622 continued, modified, or repealed.

1623 (b) In conducting the review required under Subsection (11)(a), the Revenue and
1624 Taxation Interim Committee shall:

1625 (i) schedule time on at least one committee agenda to conduct the review;

1626 (ii) invite state agencies, individuals, and organizations concerned with the credit under
1627 review to provide testimony;

1628 (iii) ensure that the Revenue and Taxation Interim Committee's recommendations
1629 under this section include an evaluation of:

1630 (A) the cost of the tax credit to the state;

1631 (B) the purpose and effectiveness of the tax credit; and

1632 (C) the extent to which the state benefits from the tax credit; and

1633 (iv) undertake other review efforts as determined by the chairs of the Revenue and
1634 Taxation Interim Committee.

1635 Section 22. Section 63N-2-106 is amended to read:

1636 **63N-2-106. Reports -- Posting monthly and annual reports -- Audit and study of**
1637 **tax credits.**

1638 (1) The office shall include the following information in the annual written report
1639 described in Section 63N-1-301:

1640 (a) the office's success in attracting new commercial projects to development zones
1641 under this part and the corresponding increase in new incremental jobs;

1642 (b) how many new incremental jobs and high paying jobs are employees of a company
1643 that received tax credits under this part, including the number of employees who work for a
1644 third-party rather than directly for a company, receiving the tax credits under this part;

1645 (c) the estimated amount of tax credit commitments made by the office and the period
1646 of time over which tax credits will be paid;

1647 (d) the economic impact on the state from new state revenues and the provision of tax
1648 credits under this part;

1649 (e) the estimated costs and economic benefits of the tax credit commitments made by
1650 the office;

1651 (f) the actual costs and economic benefits of the tax credit commitments made by the
1652 office; and

1653 (g) tax credit commitments made by the office, with the associated calculation.

1654 (2) Each month, the office shall post on its website and on a state website:

1655 (a) the new tax credit commitments made by the office during the previous month; and

1656 (b) the estimated costs and economic benefits of those tax credit commitments.

1657 (3) (a) On or before November 1, 2014, and every three years after November 1, 2014,
1658 the office shall:

1659 (i) conduct an audit of the tax credits allowed under Section 63N-2-105;

1660 (ii) study the tax credits allowed under Section 63N-2-105; and

1661 (iii) make recommendations concerning whether the tax credits should be continued,
1662 modified, or repealed.

1663 (b) The audit shall include an evaluation of:

1664 (i) the cost of the tax credits;

1665 (ii) the purposes and effectiveness of the tax credits;

1666 (iii) the extent to which the state benefits from the tax credits; and

1667 (iv) the state's return on investment under this part measured by new state revenues,
1668 compared with the costs of tax credits provided and GOED's expenses in administering this

1669 part.

1670 (c) The office shall provide the results of the audit described in this Subsection (3):

1671 (i) in the written annual report described in Subsection (1); and

1672 (ii) as part of the review described in Sections [59-7-159](#) and [59-10-137](#).

1673 Section 23. Section **63N-2-213** is amended to read:

1674 **63N-2-213. State tax credits.**

1675 (1) Subject to the limitations of Subsections (2) through (4), the following
1676 nonrefundable tax credits against a tax under Title 59, Chapter 7, Corporate Franchise and
1677 Income Taxes, or Title 59, Chapter 10, Individual Income Tax Act, are applicable in an
1678 enterprise zone:

1679 (a) a tax credit of \$750 may be claimed by a business entity for each new full-time
1680 employee position created within the enterprise zone;

1681 (b) an additional \$500 tax credit may be claimed if the new full-time employee position
1682 created within the enterprise zone pays at least 125% of:

1683 (i) the county average monthly nonagricultural payroll wage for the respective industry
1684 as determined by the Department of Workforce Services; or

1685 (ii) if the county average monthly nonagricultural payroll wage is not available for the
1686 respective industry, the total average monthly nonagricultural payroll wage in the respective
1687 county where the enterprise zone is located;

1688 (c) an additional tax credit of \$750 may be claimed if the new full-time employee
1689 position created within the enterprise zone is in a business entity that adds value to agricultural
1690 commodities through manufacturing or processing;

1691 (d) an additional tax credit of \$200 may be claimed for two consecutive years for each
1692 new full-time employee position created within the enterprise zone that is filled by an
1693 employee who is insured under an employer-sponsored health insurance program if the
1694 employer pays at least 50% of the premium cost for the year for which the credit is claimed;

1695 (e) a tax credit of 50% of the value of a cash contribution to a private nonprofit
1696 corporation, except that the credit claimed may not exceed \$100,000:

1697 (i) that is exempt from federal income taxation under Section 501(c)(3), Internal
1698 Revenue Code;

1699 (ii) whose primary purpose is community and economic development; and

- 1700 (iii) that has been accredited by the Governor's Rural Partnership Board;
- 1701 (f) a tax credit of 25% of the first \$200,000 spent on rehabilitating a building in the
- 1702 enterprise zone that has been vacant for two years or more; and
- 1703 (g) an annual investment tax credit of 10% of the first \$250,000 in investment, and 5%
- 1704 of the next \$1,000,000 qualifying investment in plant, equipment, or other depreciable
- 1705 property.
- 1706 (2) (a) Subject to the limitations of Subsection (2)(b), a business entity claiming tax
- 1707 credits under Subsections (1)(a) through (d) may claim the tax credits for up to 30 full-time
- 1708 employee positions per taxable year.
- 1709 (b) A business entity that received a tax credit for one or more new full-time employee
- 1710 positions under Subsections (1)(a) through (d) in a prior taxable year may claim a tax credit for
- 1711 a new full-time employee position in a subsequent taxable year under Subsections (1)(a)
- 1712 through (d) if:
- 1713 (i) the business entity has created a new full-time position within the enterprise zone;
- 1714 and
- 1715 (ii) the total number of full-time employee positions at the business entity at any point
- 1716 during the tax year for which the tax credit is being claimed is greater than the number of
- 1717 full-time employee positions that existed at the business entity at any point during the taxable
- 1718 year immediately preceding the taxable year for which the credit is being claimed.
- 1719 (c) Construction jobs are not eligible for the tax credits under Subsections (1)(a)
- 1720 through (d).
- 1721 (3) If the amount of a tax credit under this section exceeds a business entity's tax
- 1722 liability under this chapter for a taxable year, the business entity may carry forward the amount
- 1723 of the tax credit exceeding the liability for a period that does not exceed the next three taxable
- 1724 years.
- 1725 (4) Tax credits under Subsections (1)(a) through (g) may not be claimed by a business
- 1726 entity primarily engaged in retail trade or by a public utilities business.
- 1727 (5) A business entity that has no employees:
- 1728 (a) may not claim tax credits under Subsections (1)(a) through (d); and
- 1729 (b) may claim tax credits under Subsections (1)(e) through (g).
- 1730 (6) A business entity may not claim or carry forward a tax credit available under this

1731 part for a taxable year during which the business entity has claimed the targeted business
1732 income tax credit available under Section 63N-2-305.

1733 (7) (a) On or before November 30, 2018, and every three years after November 30,
1734 2018, the Revenue and Taxation Interim Committee shall review the tax credits provided by
1735 this section and make recommendations concerning whether the tax credits should be
1736 continued, modified, or repealed.

1737 (b) In conducting the review required under this Subsection (7), the Revenue and
1738 Taxation Interim Committee shall:

1739 (i) schedule time on at least one committee agenda to conduct the review;

1740 (ii) invite state agencies, individuals, and organizations concerned with the credit under
1741 review to provide testimony;

1742 (iii) ensure that the Revenue and Taxation Interim Committee's recommendations
1743 under this section include an evaluation of:

1744 (A) the cost of the tax credit to the state;

1745 (B) the purpose and effectiveness of the tax credit; and

1746 (C) the extent to which the state benefits from the tax credit; and

1747 (iv) undertake other review efforts as determined by the chairs of the Revenue and
1748 Taxation Interim Committee.

1749 Section 24. Section 63N-2-305 is amended to read:

1750 **63N-2-305. Targeted business income tax credit structure -- Duties of the local**
1751 **zone administrator -- Duties of the State Tax Commission.**

1752 (1) A business applicant that is certified under Subsection 63N-2-304(3) and issued a
1753 targeted business tax credit eligibility form by the office under Subsection (8) may claim a
1754 refundable tax credit:

1755 (a) against the business applicant's tax liability under:

1756 (i) Title 59, Chapter 7, Corporate Franchise and Income Taxes; or

1757 (ii) Title 59, Chapter 10, Individual Income Tax Act; and

1758 (b) subject to requirements and limitations provided by this part.

1759 (2) The total amount of the targeted business income tax credits allowed under this part
1760 for all business applicants may not exceed \$300,000 in any fiscal year.

1761 (3) (a) A targeted business income tax credit allowed under this part for each

1762 community investment project provided by a business applicant may not:

1763 (i) be claimed by a business applicant for more than seven consecutive taxable years
1764 from the date the business applicant first qualifies for a targeted business income tax credit on
1765 the basis of a community investment project;

1766 (ii) be carried forward or carried back;

1767 (iii) exceed \$100,000 in total amount for the community investment project period
1768 during which the business applicant is eligible to claim a targeted business income tax credit;

1769 or

1770 (iv) exceed in any year that the targeted business income tax credit is claimed the lesser
1771 of:

1772 (A) 50% of the maximum amount allowed by the local zone administrator; or

1773 (B) the allocated cap amount determined by the office under Subsection 63N-2-304(5).

1774 (b) A business applicant may apply to the local zone administrator to claim a targeted
1775 business income tax credit allowed under this part for each community investment project
1776 provided by the business applicant as the basis for its eligibility for a targeted business income
1777 tax credit.

1778 (4) Subject to other provisions of this section, the local zone administrator shall
1779 establish for each business applicant that qualifies for a targeted business income tax credit:

1780 (a) criteria for maintaining eligibility for the targeted business income tax credit that
1781 are reasonably related to the community investment project that is the basis for the business
1782 applicant's targeted business income tax credit;

1783 (b) the maximum amount of the targeted business income tax credit the business
1784 applicant is allowed for the community investment project period;

1785 (c) the time period over which the total amount of the targeted business income tax
1786 credit may be claimed;

1787 (d) the maximum amount of the targeted business income tax credit that the business
1788 applicant will be allowed to claim each year; and

1789 (e) requirements for a business applicant to report to the local zone administrator
1790 specifying:

1791 (i) the frequency of the business applicant's reports to the local zone administrator,
1792 which shall be made at least quarterly; and

1793 (ii) the information needed by the local zone administrator to monitor the business
1794 applicant's compliance with this Subsection (4) or Section 63N-2-304 that shall be included in
1795 the report.

1796 (5) In accordance with Subsection (4)(e), a business applicant allowed a targeted
1797 business income tax credit under this part shall report to the local zone administrator.

1798 (6) The amount of a targeted business income tax credit that a business applicant is
1799 allowed to claim for a taxable year shall be reduced by 25% for each quarter in which the office
1800 or the local zone administrator determines that the business applicant has failed to comply with
1801 a requirement of Subsection (3) or Section 63N-2-304.

1802 (7) The office or local zone administrator may audit a business applicant to ensure:

1803 (a) eligibility for a targeted business income tax credit; or

1804 (b) compliance with Subsection (3) or Section 63N-2-304.

1805 (8) The office shall issue a targeted business income tax credit eligibility form in a
1806 form jointly developed by the State Tax Commission and the office no later than 30 days after
1807 the last day of the business applicant's taxable year showing:

1808 (a) the maximum amount of the targeted business income tax credit that the business
1809 applicant is eligible for that taxable year;

1810 (b) any reductions in the maximum amount of the targeted business income tax credit
1811 because of failure to comply with a requirement of Subsection (3) or Section 63N-2-304;

1812 (c) the allocated cap amount that the business applicant may claim for that taxable
1813 year; and

1814 (d) the actual amount of the targeted business income tax credit that the business
1815 applicant may claim for that taxable year.

1816 (9) (a) A business applicant shall retain the targeted business income tax credit
1817 eligibility form provided by the office under this Subsection (9).

1818 (b) The State Tax Commission may audit a business applicant to ensure:

1819 (i) eligibility for a targeted business income tax credit; or

1820 (ii) compliance with Subsection (3) or Section 63N-2-304.

1821 (10) (a) On or before November 30, 2018, and every three years after November 30,
1822 2018, the Revenue and Taxation Interim Committee shall review the tax credits provided by
1823 this section and make recommendations concerning whether the tax credits should be

1824 continued, modified, or repealed.

1825 (b) In conducting the review required under this Subsection (10), the Revenue and
1826 Taxation Interim Committee shall:

1827 (i) schedule time on at least one committee agenda to conduct the review;

1828 (ii) invite state agencies, individuals, and organizations concerned with the credit under
1829 review to provide testimony;

1830 (iii) ensure that the Revenue and Taxation Interim Committee's recommendations
1831 under this section include an evaluation of:

1832 (A) the cost of the tax credit to the state;

1833 (B) the purpose and effectiveness of the tax credit; and

1834 (C) the extent to which the state benefits from the tax credit; and

1835 (iv) undertake other review efforts as determined by the chairs of the Revenue and
1836 Taxation Interim Committee.

1837 Section 25. Section **63N-2-810** is amended to read:

1838 **63N-2-810. Reports on tax credit certificates -- Study by legislative committees.**

1839 ~~[(+)]~~ The office shall include the following information in the annual written report
1840 described in Section **63N-1-301**:

1841 ~~[(a)]~~ (1) the total amount listed on tax credit certificates the office issues under this
1842 part;

1843 ~~[(b)]~~ (2) the criteria that the office uses in prioritizing the issuance of tax credits
1844 amongst tax credit applicants under this part; and

1845 ~~[(c)]~~ (3) the economic impact on the state related to providing tax credits under this
1846 part.

1847 ~~[(2) (a) On or before November 1, 2016, and every five years after November 1, 2016,~~
1848 ~~the Revenue and Taxation Interim Committee shall:]~~

1849 ~~[(i) study the tax credits allowed under Sections **59-7-614.6**, **59-10-1025**, and~~
1850 ~~**59-10-1109**; and]~~

1851 ~~[(ii) make recommendations concerning whether the tax credits should be continued,~~
1852 ~~modified, or repealed:]~~

1853 ~~[(b) The study under Subsection (2)(a) shall include an evaluation of:]~~

1854 ~~[(i) the cost of the tax credits under Sections **59-7-614.6**, **59-10-1025**, and~~

1855 ~~59-10-1109;~~

1856 ~~[(ii) the purposes and effectiveness of the tax credits; and]~~

1857 ~~[(iii) the extent to which the state benefits from the tax credits.]~~

1858 Section 26. **Coordinating H.B. 310 with H.B. 26 -- Substantive and technical**

1859 **amendments.**

1860 If this H.B. 310 and H.B. 26, Revenue and Taxation Interim Committee Report

1861 Amendments, both pass and become law, it is the intent of the Legislature that the Office of

1862 Legislative Research and General Counsel shall prepare the Utah Code database for publication

1863 by amending Subsection 63N-2-810(2) to read:

1864 "(2) (a) [~~On or before November 1, 2016, and every five years after November 1, 2016]~~

1865 In accordance with Sections 59-7-159 and 59-10-137, the Revenue and Taxation Interim

1866 Committee shall:

1867 (i) study the tax credits allowed under Sections 59-7-614.6, 59-10-1025, and

1868 59-10-1109; and

1869 (ii) make recommendations concerning whether the tax credits should be continued,

1870 modified, or repealed.

1871 ~~[(b) The study under Subsection (2)(a) shall include an evaluation of:]~~

1872 ~~[(i) the cost of the tax credits under Sections 59-7-614.6, 59-10-1025, and~~

1873 ~~59-10-1109;]~~

1874 ~~[(ii) the purposes and effectiveness of the tax credits; and]~~

1875 ~~[(iii) the extent to which the state benefits from the tax credits.]~~

1876 (b) For purposes of the study required by this Subsection (2), the office shall provide

1877 the following information to the Office of the Legislative Fiscal Analyst by electronic means:

1878 (i) the amount of tax credits that the office grants to each eligible business entity for

1879 each taxable year;

1880 (ii) the amount of eligible new state tax revenues generated by each eligible product or

1881 project;

1882 (iii) estimates for each of the next three calendar years of the following:

1883 (A) the amount of tax credits that the office will grant;

1884 (B) the amount of eligible new state tax revenues that will be generated; and

1885 (C) the number of new incremental jobs within the state that will be generated;

1886 (iv) the information contained in the office's latest report to the Legislature under
1887 Section 63N-2-705; and

1888 (v) any other information that the Office of the Legislative Fiscal Analyst requests.

1889 (c) As a part of the study required by this Subsection (2), the Office of the Legislative
1890 Fiscal Analyst shall report to the Revenue and Taxation Interim Committee a summary and
1891 analysis of the information provided to the Office of the Legislative Fiscal Analyst by the
1892 office under Subsection (2)(b).

1893 (d) The Revenue and Taxation Interim Committee shall ensure that the Revenue and
1894 Taxation Interim Committee's recommendations under Subsection (2)(a) include an evaluation
1895 of:

1896 (i) the cost of the tax credits under Sections 59-7-614.6, 59-10-1025, and 59-10-1109;

1897 (ii) the purpose and effectiveness of the tax credits; and

1898 (iii) the extent to which the state benefits from the tax credits."

1899 **Section 27. Coordinating H.B. 310 with H.B. 31 -- Substantive and technical**
1900 **amendments.**

1901 If this H.B. 310 and H.B. 31, Enterprise Zone Amendments, both pass and become law,
1902 it is the intent of the Legislature that the Office of Legislative Research and General Counsel
1903 shall prepare the Utah Code database for publication by:

1904 (1) modifying Subsection 59-7-159(3)(c) to add a new (iii) to read:

1905 "(iii) Section 59-7-614.10;";

1906 (2) modifying Subsection 59-7-614.10(6) to read:

1907 "(6) (a) In accordance with Section 59-7-159, the Revenue and Taxation Interim
1908 Committee shall study the tax credit allowed by this section and make recommendations
1909 concerning whether the tax credit should be continued, modified, or repealed.

1910 (b) For purposes of the study required by this Subsection (6), the office shall provide
1911 by electronic means the following information for each calendar year to the Office of the
1912 Legislative Fiscal Analyst:

1913 (i) the amount of tax credits provided in each development zone;

1914 (ii) the number of new full-time employee positions reported to obtain tax credits in
1915 each development zone;

1916 (iii) the amount of tax credits awarded for rehabilitating a building in each

1917 development zone;
1918 (iv) the amount of tax credits awarded for investing in a plant, equipment, or other
1919 depreciable property in each development zone;
1920 (v) the information related to the tax credit contained in the office's latest report to the
1921 Legislature under Section [63N-1-301](#); and
1922 (vi) other information as requested by the Office of the Legislative Fiscal Analyst.
1923 (c) As part of the study required by this Subsection (6), the Office of the Legislative
1924 Fiscal Analyst shall report to the Revenue and Taxation Interim Committee a summary and
1925 analysis of the information provided to the Office of the Legislative Fiscal Analyst by the
1926 office under Subsection (6)(b).
1927 (d) The Revenue and Taxation Interim Committee shall ensure that the Revenue and
1928 Taxation Interim Committee's recommendations under Subsection (6)(a) include an evaluation
1929 of:
1930 (i) the cost of the tax credit to the state;
1931 (ii) the purpose and effectiveness of the tax credit; and
1932 (iii) the extent to which the state benefits from the tax credit.";
1933 (3) modifying Subsection [59-10-137](#)(3)(c) to add a new (x) to read:
1934 "(x) Section [59-10-1036](#); and";
1935 (4) modifying Subsection [59-10-1036](#)(6) to read:
1936 "(6) (a) In accordance with Section [59-10-137](#), the Revenue and Taxation Interim
1937 Committee shall study the tax credit allowed by this section and make recommendations
1938 concerning whether the tax credit should be continued, modified, or repealed.
1939 (b) For purposes of the study required by this Subsection (6), the office shall provide
1940 by electronic means the following information for each calendar year to the Office of the
1941 Legislative Fiscal Analyst:
1942 (i) the amount of tax credits provided in each development zone;
1943 (ii) the number of new full-time employee positions reported to obtain tax credits in
1944 each development zone;
1945 (iii) the amount of tax credits awarded for rehabilitating a building in each
1946 development zone;
1947 (iv) the amount of tax credits awarded for investing in a plant, equipment, or other

1948 depreciable property in each development zone;

1949 (v) the information related to the tax credit contained in the office's latest report to the
 1950 Legislature under Section [63N-1-301](#); and

1951 (vi) other information as requested by the Office of the Legislative Fiscal Analyst.

1952 (c) As part of the study required by this Subsection (6), the Office of the Legislative
 1953 Fiscal Analyst shall report to the Revenue and Taxation Interim Committee a summary and
 1954 analysis of the information provided to the Office of the Legislative Fiscal Analyst by the
 1955 office under Subsection (6)(b).

1956 (d) The Revenue and Taxation Interim Committee shall ensure that the Revenue and
 1957 Taxation Interim Committee's recommendations under Subsection (6)(a) include an evaluation
 1958 of:

1959 (i) the cost of the tax credit to the state;

1960 (ii) the purpose and effectiveness of the tax credit; and

1961 (iii) the extent to which the state benefits from the tax credit."; and

1962 (5) eliminating Subsection [63N-2-213](#)(7) in H.B. 310, Tax Credit Review

1963 Amendments.

1964 **Section 28. Coordinating H.B. 310 with H.B. 26 and S.B. 171 -- Substantive and**
 1965 **technical amendments.**

1966 If this H.B. 310, H.B. 26, Revenue and Taxation Interim Committee Report
 1967 Amendments, and S.B. 171, Economic Development Tax Credits Amendments, all pass and
 1968 become law, it is the intent of the Legislature that the Office of Legislative Research and
 1969 General Counsel shall prepare the Utah Code database for publication by amending Subsection
 1970 [63N-2-810](#)(2) to read:

1971 "(2) (a) [~~On or before November 1, 2016, and every five years after November 1, 2016]~~

1972 In accordance with Section [59-10-137](#), the Revenue and Taxation Interim Committee shall:

1973 (i) study the tax [~~credits~~] credit allowed under [~~Sections [59-7-614.6](#),~~] Section

1974 [59-10-1025](#)[~~, and [59-10-1109](#)~~]; and

1975 (ii) make recommendations concerning whether the tax [~~credits~~] credit should be
 1976 continued, modified, or repealed.

1977 [~~(b) The study under Subsection (2)(a) shall include an evaluation of:~~]

1978 [~~(i) the cost of the tax credits under Sections [59-7-614.6](#), [59-10-1025](#), and~~

1979 ~~59-10-1109;~~
1980 ~~[(ii) the purposes and effectiveness of the tax credits; and]~~
1981 ~~[(iii) the extent to which the state benefits from the tax credits.]~~
1982 (b) For purposes of the study required by this Subsection (2), the office shall provide
1983 the following information to the Office of the Legislative Fiscal Analyst by electronic means:
1984 (i) the amount of tax credit that the office grants to each eligible business entity for
1985 each taxable year;
1986 (ii) the amount of eligible new state tax revenues generated by each eligible product or
1987 project;
1988 (iii) estimates for each of the next three calendar years of the following:
1989 (A) the amount of tax credit that the office will grant;
1990 (B) the amount of eligible new state tax revenues that will be generated; and
1991 (C) the number of new incremental jobs within the state that will be generated;
1992 (iv) the information contained in the office's latest report to the Legislature under
1993 Section [63N-2-705](#); and
1994 (v) any other information that the Office of the Legislative Fiscal Analyst requests.
1995 (c) As a part of the study required by this Subsection (2), the Office of the Legislative
1996 Fiscal Analyst shall report to the Revenue and Taxation Interim Committee a summary and
1997 analysis of the information provided to the Office of the Legislative Fiscal Analyst by the
1998 office under Subsection (2)(b).
1999 (d) The Revenue and Taxation Interim Committee shall ensure that the Revenue and
2000 Taxation Interim Committee's recommendations under Subsection (2)(a) include an evaluation
2001 of:
2002 (i) the cost of the tax credit under Section [59-10-1025](#);
2003 (ii) the purpose and effectiveness of the tax credit; and
2004 (iii) the extent to which the state benefits from the tax credit."