

**INCENTIVES AMENDMENTS**

2022 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Kay J. Christofferson**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill amends provisions related to tax credits and incentives.

**Highlighted Provisions:**

This bill:

- ▶ provides for the treatment of a carry forward when an income tax credit expires or repeals;
- ▶ modifies the research activities tax credit by:
  - eliminating the credit equal to 7.5% of qualified research expenses; and
  - requiring the State Tax Commission to provide, and the taxpayer to complete and retain, a worksheet to calculate the credits;
- ▶ modifies the formula for calculating the individual historic preservation tax credit;
- ▶ modifies the formulas for calculating the corporate and individual renewable energy system tax credits;
- ▶ modifies the criteria for qualifying for an enterprise zone tax credit;
- ▶ sets an end date for entering or extending contracts authorizing an economic development tax increment financing tax credit;
- ▶ repeals the following corporate income tax credits:
  - interest income from state and federal securities;
  - historic preservation;
  - renewable energy system for a residential unit;





- 28           • alternative energy development; and
- 29           • recycling market development zone;
- 30         ▶ repeals the following individual income tax credits:
- 31           • recycling market development zone;
- 32           • qualifying solar projects;
- 33           • investment in life science establishments; and
- 34           • alternative energy development;
- 35         ▶ repeals the Technology and Life Science Economic Development Act;
- 36         ▶ repeals the motion pictures incentives;
- 37         ▶ repeals the Alternative Energy Development Tax Credit Act;
- 38         ▶ modifies reporting and study requirements related to repealed income tax credits;
- 39 and
- 40         ▶ makes technical and conforming changes.

41 **Money Appropriated in this Bill:**

42           None

43 **Other Special Clauses:**

44           This bill provides a special effective date.

45 **Utah Code Sections Affected:**

46 AMENDS:

- 47           19-13-102, as renumbered and amended by Laws of Utah 2020, Chapter 360
- 48           19-13-109, as renumbered and amended by Laws of Utah 2020, Chapter 360
- 49           59-2-102, as last amended by Laws of Utah 2021, Chapter 314
- 50           59-7-159, as last amended by Laws of Utah 2021, Chapters 282 and 367
- 51           59-7-612, as last amended by Laws of Utah 2016, Third Special Session, Chapter 1
- 52           59-7-614, as last amended by Laws of Utah 2021, Chapters 280 and 374
- 53           59-7-614.2, as last amended by Laws of Utah 2021, Chapter 282
- 54           59-7-624, as last amended by Laws of Utah 2021, Chapter 282
- 55           59-7-903, as last amended by Laws of Utah 2016, Chapters 64 and 135
- 56           59-10-137, as last amended by Laws of Utah 2021, Chapters 282 and 367
- 57           59-10-1002.2, as last amended by Laws of Utah 2021, Chapters 68 and 428
- 58           59-10-1006, as renumbered and amended by Laws of Utah 2006, Chapter 223

- 59 **59-10-1012**, as last amended by Laws of Utah 2016, Third Special Session, Chapter 1
- 60 **59-10-1014**, as last amended by Laws of Utah 2021, Chapter 280
- 61 **59-10-1106**, as last amended by Laws of Utah 2021, Chapters 280 and 374
- 62 **59-10-1107**, as last amended by Laws of Utah 2021, Chapter 282
- 63 **59-10-1112**, as last amended by Laws of Utah 2021, Chapter 282
- 64 **63J-1-602.1**, as last amended by Laws of Utah 2021, Chapters 280, 382, 401, and 438
- 65 **63N-2-104**, as last amended by Laws of Utah 2021, Chapters 282, 381 and last
- 66 amended by Coordination Clause, Laws of Utah 2021, Chapter 282
- 67 **63N-2-106**, as last amended by Laws of Utah 2021, Chapter 282
- 68 **63N-2-213**, as last amended by Laws of Utah 2021, Chapter 282
- 69 **63N-2-304**, as last amended by Laws of Utah 2019, Chapter 247
- 70 **79-6-401**, as renumbered and amended by Laws of Utah 2021, Chapter 280

71 ENACTS:

- 72 **59-7-538**, Utah Code Annotated 1953
- 73 **59-10-552**, Utah Code Annotated 1953

74 REPEALS:

- 75 **19-13-110**, as renumbered and amended by Laws of Utah 2020, Chapter 360
- 76 **59-7-601**, as last amended by Laws of Utah 2005, Chapter 105
- 77 **59-7-609**, as enacted by Laws of Utah 1995, Chapter 42
- 78 **59-7-610**, as last amended by Laws of Utah 2021, Chapter 367
- 79 **59-7-614.5**, as last amended by Laws of Utah 2021, Chapter 282
- 80 **59-7-614.7**, as last amended by Laws of Utah 2021, Chapter 280
- 81 **59-10-1007**, as last amended by Laws of Utah 2021, Chapter 367
- 82 **59-10-1024**, as last amended by Laws of Utah 2021, Chapter 280
- 83 **59-10-1025**, as last amended by Laws of Utah 2019, Chapter 465
- 84 **59-10-1029**, as last amended by Laws of Utah 2021, Chapter 280
- 85 **59-10-1108**, as last amended by Laws of Utah 2021, Chapter 282
- 86 **63N-2-801**, as renumbered and amended by Laws of Utah 2015, Chapter 283
- 87 **63N-2-802**, as last amended by Laws of Utah 2016, Chapter 354
- 88 **63N-2-803**, as last amended by Laws of Utah 2016, Chapter 354
- 89 **63N-2-804**, as renumbered and amended by Laws of Utah 2015, Chapter 283

- 90            **63N-2-805**, as renumbered and amended by Laws of Utah 2015, Chapter 283
- 91            **63N-2-806**, as last amended by Laws of Utah 2016, Chapter 354
- 92            **63N-2-807**, as renumbered and amended by Laws of Utah 2015, Chapter 283
- 93            **63N-2-808**, as last amended by Laws of Utah 2021, Chapter 282
- 94            **63N-2-809**, as renumbered and amended by Laws of Utah 2015, Chapter 283
- 95            **63N-2-810**, as last amended by Laws of Utah 2021, Chapter 282
- 96            **63N-2-811**, as last amended by Laws of Utah 2021, Chapter 382
- 97            **63N-8-101**, as renumbered and amended by Laws of Utah 2015, Chapter 283
- 98            **63N-8-102**, as last amended by Laws of Utah 2021, Chapter 282
- 99            **63N-8-103**, as last amended by Laws of Utah 2021, Chapters 282 and 436
- 100           **63N-8-104**, as last amended by Laws of Utah 2021, Chapter 282
- 101           **63N-8-105**, as last amended by Laws of Utah 2021, Chapter 282
- 102           **79-6-501**, as renumbered and amended by Laws of Utah 2021, Chapter 280
- 103           **79-6-502**, as renumbered and amended by Laws of Utah 2021, Chapter 280
- 104           **79-6-503**, as last amended by Laws of Utah 2021, Chapter 64 and renumbered and
- 105 amended by Laws of Utah 2021, Chapter 280
- 106           **79-6-504**, as renumbered and amended by Laws of Utah 2021, Chapter 280
- 107           **79-6-505**, as renumbered and amended by Laws of Utah 2021, Chapter 280

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109 *Be it enacted by the Legislature of the state of Utah:*

110            Section 1. Section **19-13-102** is amended to read:

111            **19-13-102. Definitions.**

112            As used in this part:

113            (1) "Composting" means the controlled decay of landscape waste or sewage sludge and  
 114 organic industrial waste, or a mixture of these, by the action of bacteria, fungi, molds, and other  
 115 organisms.

116            (2) "Postconsumer waste material" means any product generated by a business or  
 117 consumer that has served its intended end use, and that has been separated from solid waste for  
 118 the purposes of collection, recycling, and disposition and that does not include secondary waste  
 119 material.

120            (3) (a) "Recovered materials" means waste materials and by-products that have been

121 recovered or diverted from solid waste.

122 (b) "Recovered materials" does not include those materials and by-products generated  
123 from, and commonly reused within, an original manufacturing process.

124 (4) (a) "Recycling" means the diversion of materials from the solid waste stream and  
125 the beneficial use of the materials and includes a series of activities by which materials that  
126 would become or otherwise remain waste are diverted from the waste stream for collection,  
127 separation, and processing, and are used as raw materials or feedstocks in lieu of or in addition  
128 to virgin materials in the manufacture of goods sold or distributed in commerce or the reuse of  
129 the materials as substitutes for goods made from virgin materials.

130 (b) "Recycling" does not include burning municipal solid waste for energy recovery.

131 (5) "Recycling market development zone" or "zone" means an area designated by the  
132 office as meeting the requirements of this part.

133 (6) (a) "Secondary waste material" means industrial by-products that go to disposal  
134 facilities and waste generated after completion of a manufacturing process.

135 (b) "Secondary waste material" does not include internally generated scrap commonly  
136 returned to industrial or manufacturing processes, such as home scrap and mill broke.

137 ~~[(7) "Tax incentive" means a nonrefundable tax credit available under Section 59-7-610~~  
138 ~~or 59-10-1007.]~~

139 Section 2. Section **19-13-109** is amended to read:

140 **19-13-109. Revocation of designations.**

141 (1) The department may revoke the designation of a recycling market development  
142 zone [~~if no businesses utilize the tax incentives during any calendar year~~].

143 (2) Before revocation of the zone, the department shall conduct a public hearing within  
144 a reasonable distance of the zone to determine reasons for inactivity and explore possible  
145 alternative actions.

146 Section 3. Section **59-2-102** is amended to read:

147 **59-2-102. Definitions.**

148 As used in this chapter:

149 (1) (a) "Acquisition cost" means any cost required to put an item of tangible personal  
150 property into service.

151 (b) "Acquisition cost" includes:

- 152 (i) the purchase price of a new or used item;
- 153 (ii) the cost of freight, shipping, loading at origin, unloading at destination, crating,  
154 skidding, or any other applicable cost of shipping;
- 155 (iii) the cost of installation, engineering, rigging, erection, or assembly, including  
156 foundations, pilings, utility connections, or similar costs; and
- 157 (iv) sales and use taxes.
- 158 (2) "Aerial applicator" means aircraft or rotorcraft used exclusively for the purpose of  
159 engaging in dispensing activities directly affecting agriculture or horticulture with an  
160 airworthiness certificate from the Federal Aviation Administration certifying the aircraft or  
161 rotorcraft's use for agricultural and pest control purposes.
- 162 (3) "Air charter service" means an air carrier operation that requires the customer to  
163 hire an entire aircraft rather than book passage in whatever capacity is available on a scheduled  
164 trip.
- 165 (4) "Air contract service" means an air carrier operation available only to customers  
166 that engage the services of the carrier through a contractual agreement and excess capacity on  
167 any trip and is not available to the public at large.
- 168 (5) "Aircraft" means the same as that term is defined in Section [72-10-102](#).
- 169 (6) (a) Except as provided in Subsection (6)(b), "airline" means an air carrier that:
- 170 (i) operates:
- 171 (A) on an interstate route; and
- 172 (B) on a scheduled basis; and
- 173 (ii) offers to fly one or more passengers or cargo on the basis of available capacity on a  
174 regularly scheduled route.
- 175 (b) "Airline" does not include an:
- 176 (i) air charter service; or
- 177 (ii) air contract service.
- 178 (7) "Assessment roll" or "assessment book" means a permanent record of the  
179 assessment of property as assessed by the county assessor and the commission and may be  
180 maintained manually or as a computerized file as a consolidated record or as multiple records  
181 by type, classification, or categories.
- 182 (8) "Base parcel" means a parcel of property that was legally:

- 183 (a) subdivided into two or more lots, parcels, or other divisions of land; or
- 184 (b) (i) combined with one or more other parcels of property; and
- 185 (ii) subdivided into two or more lots, parcels, or other divisions of land.

186 (9) (a) "Certified revenue levy" means a property tax levy that provides an amount of  
187 ad valorem property tax revenue equal to the sum of:

188 (i) the amount of ad valorem property tax revenue to be generated statewide in the  
189 previous year from imposing a multicounty assessing and collecting levy, as specified in  
190 Section 59-2-1602; and

191 (ii) the product of:

192 (A) eligible new growth, as defined in Section 59-2-924; and

193 (B) the multicounty assessing and collecting levy certified by the commission for the  
194 previous year.

195 (b) For purposes of this Subsection (9), "ad valorem property tax revenue" does not  
196 include property tax revenue received by a taxing entity from personal property that is:

197 (i) assessed by a county assessor in accordance with Part 3, County Assessment; and

198 (ii) semiconductor manufacturing equipment.

199 (c) For purposes of calculating the certified revenue levy described in this Subsection  
200 (9), the commission shall use:

201 (i) the taxable value of real property assessed by a county assessor contained on the  
202 assessment roll;

203 (ii) the taxable value of real and personal property assessed by the commission; and

204 (iii) the taxable year end value of personal property assessed by a county assessor  
205 contained on the prior year's assessment roll.

206 (10) "County-assessed commercial vehicle" means:

207 (a) any commercial vehicle, trailer, or semitrailer that is not apportioned under Section  
208 41-1a-301 and is not operated interstate to transport the vehicle owner's goods or property in  
209 furtherance of the owner's commercial enterprise;

210 (b) any passenger vehicle owned by a business and used by its employees for  
211 transportation as a company car or vanpool vehicle; and

212 (c) vehicles that are:

213 (i) especially constructed for towing or wrecking, and that are not otherwise used to



214 transport goods, merchandise, or people for compensation;

215 (ii) used or licensed as taxicabs or limousines;

216 (iii) used as rental passenger cars, travel trailers, or motor homes;

217 (iv) used or licensed in this state for use as ambulances or hearses;

218 (v) especially designed and used for garbage and rubbish collection; or

219 (vi) used exclusively to transport students or their instructors to or from any private,  
220 public, or religious school or school activities.

221 (11) "Eligible judgment" means a final and unappealable judgment or order under  
222 Section [59-2-1330](#):

223 (a) that became a final and unappealable judgment or order no more than 14 months  
224 before the day on which the notice described in Section [59-2-919.1](#) is required to be provided;  
225 and

226 (b) for which a taxing entity's share of the final and unappealable judgment or order is  
227 greater than or equal to the lesser of:

228 (i) \$5,000; or

229 (ii) 2.5% of the total ad valorem property taxes collected by the taxing entity in the  
230 previous fiscal year.

231 (12) (a) "Escaped property" means any property, whether personal, land, or any  
232 improvements to the property, that is subject to taxation and is:

233 (i) inadvertently omitted from the tax rolls, assigned to the incorrect parcel, or assessed  
234 to the wrong taxpayer by the assessing authority;

235 (ii) undervalued or omitted from the tax rolls because of the failure of the taxpayer to  
236 comply with the reporting requirements of this chapter; or

237 (iii) undervalued because of errors made by the assessing authority based upon  
238 incomplete or erroneous information furnished by the taxpayer.

239 (b) "Escaped property" does not include property that is undervalued because of the use  
240 of a different valuation methodology or because of a different application of the same valuation  
241 methodology.

242 (13)(a) "Fair market value" means the amount at which property would change hands  
243 between a willing buyer and a willing seller, neither being under any compulsion to buy or sell  
244 and both having reasonable knowledge of the relevant facts.

245 (b) For purposes of taxation, "fair market value" shall be determined using the current  
246 zoning laws applicable to the property in question, except in cases where there is a reasonable  
247 probability of a change in the zoning laws affecting that property in the tax year in question and  
248 the change would have an appreciable influence upon the value.

249 (14) "Geothermal fluid" means water in any form at temperatures greater than 120  
250 degrees centigrade naturally present in a geothermal system.

251 (15) "Geothermal resource" means:

252 (a) the natural heat of the earth at temperatures greater than 120 degrees centigrade;  
253 and

254 (b) the energy, in whatever form, including pressure, present in, resulting from, created  
255 by, or which may be extracted from that natural heat, directly or through a material medium.

256 (16) (a) "Goodwill" means:

257 (i) acquired goodwill that is reported as goodwill on the books and records that a  
258 taxpayer maintains for financial reporting purposes; or

259 (ii) the ability of a business to:

260 (A) generate income that exceeds a normal rate of return on assets and that results from  
261 a factor described in Subsection (16)(b); or

262 (B) obtain an economic or competitive advantage resulting from a factor described in  
263 Subsection (16)(b).

264 (b) The following factors apply to Subsection (16)(a)(ii):

265 (i) superior management skills;

266 (ii) reputation;

267 (iii) customer relationships;

268 (iv) patronage; or

269 (v) a factor similar to Subsections (16)(b)(i) through (iv).

270 (c) "Goodwill" does not include:

271 (i) the intangible property described in Subsection (19)(a) or (b);

272 (ii) locational attributes of real property, including:

273 (A) zoning;

274 (B) location;

275 (C) view;

- 276 (D) a geographic feature;
- 277 (E) an easement;
- 278 (F) a covenant;
- 279 (G) proximity to raw materials;
- 280 (H) the condition of surrounding property; or
- 281 (I) proximity to markets;
- 282 (iii) value attributable to the identification of an improvement to real property,
- 283 including:
  - 284 (A) reputation of the designer, builder, or architect of the improvement;
  - 285 (B) a name given to, or associated with, the improvement; or
  - 286 (C) the historic significance of an improvement; or
  - 287 (iv) the enhancement or assemblage value specifically attributable to the interrelation
  - 288 of the existing tangible property in place working together as a unit.
- 289 (17) "Governing body" means:
  - 290 (a) for a county, city, or town, the legislative body of the county, city, or town;
  - 291 (b) for a local district under Title 17B, Limited Purpose Local Government Entities -
  - 292 Local Districts, the local district's board of trustees;
  - 293 (c) for a school district, the local board of education;
  - 294 (d) for a special service district under Title 17D, Chapter 1, Special Service District
  - 295 Act:
    - 296 (i) the legislative body of the county or municipality that created the special service
    - 297 district, to the extent that the county or municipal legislative body has not delegated authority
    - 298 to an administrative control board established under Section [17D-1-301](#); or
    - 299 (ii) the administrative control board, to the extent that the county or municipal
    - 300 legislative body has delegated authority to an administrative control board established under
    - 301 Section [17D-1-301](#); or
    - 302 (e) for a public infrastructure district under Title 17D, Chapter 4, Public Infrastructure
    - 303 District Act, the public infrastructure district's board of trustees.
  - 304 (18) (a) Except as provided in Subsection (18)(c), "improvement" means a building,
  - 305 structure, fixture, fence, or other item that is permanently attached to land, regardless of
  - 306 whether the title has been acquired to the land, if:

- 307 (i) (A) attachment to land is essential to the operation or use of the item; and
- 308 (B) the manner of attachment to land suggests that the item will remain attached to the
- 309 land in the same place over the useful life of the item; or
- 310 (ii) removal of the item would:
  - 311 (A) cause substantial damage to the item; or
  - 312 (B) require substantial alteration or repair of a structure to which the item is attached.
- 313 (b) "Improvement" includes:
  - 314 (i) an accessory to an item described in Subsection (18)(a) if the accessory is:
    - 315 (A) essential to the operation of the item described in Subsection (18)(a); and
    - 316 (B) installed solely to serve the operation of the item described in Subsection (18)(a);
  - 317 and
  - 318 (ii) an item described in Subsection (18)(a) that is temporarily detached from the land
  - 319 for repairs and remains located on the land.
- 320 (c) "Improvement" does not include:
  - 321 (i) an item considered to be personal property pursuant to rules made in accordance
  - 322 with Section [59-2-107](#);
  - 323 (ii) a moveable item that is attached to land for stability only or for an obvious
  - 324 temporary purpose;
  - 325 (iii) (A) manufacturing equipment and machinery; or
  - 326 (B) essential accessories to manufacturing equipment and machinery;
  - 327 (iv) an item attached to the land in a manner that facilitates removal without substantial
  - 328 damage to the land or the item; or
  - 329 (v) a transportable factory-built housing unit as defined in Section [59-2-1502](#) if that
  - 330 transportable factory-built housing unit is considered to be personal property under Section
  - 331 [59-2-1503](#).
- 332 (19) "Intangible property" means:
  - 333 (a) property that is capable of private ownership separate from tangible property,
  - 334 including:
    - 335 (i) money;
    - 336 (ii) credits;
    - 337 (iii) bonds;

- 338 (iv) stocks;
- 339 (v) representative property;
- 340 (vi) franchises;
- 341 (vii) licenses;
- 342 (viii) trade names;
- 343 (ix) copyrights; and
- 344 (x) patents;
- 345 (b) a low-income housing tax credit;
- 346 (c) goodwill; or
- 347 (d) a renewable energy tax credit or incentive, including:
  - 348 (i) a federal renewable energy production tax credit under Section 45, Internal Revenue
  - 349 Code;
  - 350 (ii) a federal energy credit for qualified renewable electricity production facilities under
  - 351 Section 48, Internal Revenue Code;
  - 352 (iii) a federal grant for a renewable energy property under American Recovery and
  - 353 Reinvestment Act of 2009, Pub. L. No. 111-5, Section 1603; and
  - 354 (iv) a tax credit under Subsection [59-7-614\[\(5\)\]\(4\)](#).
- 355 (20) "Livestock" means:
  - 356 (a) a domestic animal;
  - 357 (b) a fish;
  - 358 (c) a fur-bearing animal;
  - 359 (d) a honeybee; or
  - 360 (e) poultry.
- 361 (21) "Low-income housing tax credit" means:
  - 362 (a) a federal low-income housing tax credit under Section 42, Internal Revenue Code;
  - 363 or
  - 364 (b) a low-income housing tax credit under Section [59-7-607](#) or Section [59-10-1010](#).
- 365 (22) "Metalliferous minerals" includes gold, silver, copper, lead, zinc, and uranium.
- 366 (23) "Mine" means a natural deposit of either metalliferous or nonmetalliferous
- 367 valuable mineral.
- 368 (24) "Mining" means the process of producing, extracting, leaching, evaporating, or

369 otherwise removing a mineral from a mine.

370 (25) (a) "Mobile flight equipment" means tangible personal property that is owned or  
371 operated by an air charter service, air contract service, or airline and:

372 (i) is capable of flight or is attached to an aircraft that is capable of flight; or

373 (ii) is contained in an aircraft that is capable of flight if the tangible personal property  
374 is intended to be used:

375 (A) during multiple flights;

376 (B) during a takeoff, flight, or landing; and

377 (C) as a service provided by an air charter service, air contract service, or airline.

378 (b) (i) "Mobile flight equipment" does not include a spare part other than a spare  
379 engine that is rotated at regular intervals with an engine that is attached to the aircraft.

380 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
381 commission may make rules defining the term "regular intervals."

382 (26) "Nonmetalliferous minerals" includes, but is not limited to, oil, gas, coal, salts,  
383 sand, rock, gravel, and all carboniferous materials.

384 (27) "Part-year residential property" means property that is not residential property on  
385 January 1 of a calendar year but becomes residential property after January 1 of the calendar  
386 year.

387 (28) "Personal property" includes:

388 (a) every class of property as defined in Subsection (29) that is the subject of  
389 ownership and is not real estate or an improvement;

390 (b) any pipe laid in or affixed to land whether or not the ownership of the pipe is  
391 separate from the ownership of the underlying land, even if the pipe meets the definition of an  
392 improvement;

393 (c) bridges and ferries;

394 (d) livestock; and

395 (e) outdoor advertising structures as defined in Section [72-7-502](#).

396 (29) (a) "Property" means property that is subject to assessment and taxation according  
397 to its value.

398 (b) "Property" does not include intangible property as defined in this section.

399 (30) "Public utility" means:

400 (a) for purposes of this chapter, the operating property of a railroad, gas corporation, oil  
401 or gas transportation or pipeline company, coal slurry pipeline company, electrical corporation,  
402 telephone corporation, sewerage corporation, or heat corporation where the company performs  
403 the service for, or delivers the commodity to, the public generally or companies serving the  
404 public generally, or in the case of a gas corporation or an electrical corporation, where the gas  
405 or electricity is sold or furnished to any member or consumers within the state for domestic,  
406 commercial, or industrial use; and

407 (b) the operating property of any entity or person defined under Section 54-2-1 except  
408 water corporations.

409 (31) (a) Subject to Subsection (31)(b), "qualifying exempt primary residential rental  
410 personal property" means household furnishings, furniture, and equipment that:

411 (i) are used exclusively within a dwelling unit that is the primary residence of a tenant;

412 (ii) are owned by the owner of the dwelling unit that is the primary residence of a  
413 tenant; and

414 (iii) after applying the residential exemption described in Section 59-2-103, are exempt  
415 from taxation under this chapter in accordance with Subsection 59-2-1115(2).

416 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
417 commission may by rule define the term "dwelling unit" for purposes of this Subsection (31)  
418 and Subsection (34).

419 (32) "Real estate" or "real property" includes:

420 (a) the possession of, claim to, ownership of, or right to the possession of land;

421 (b) all mines, minerals, and quarries in and under the land, all timber belonging to  
422 individuals or corporations growing or being on the lands of this state or the United States, and  
423 all rights and privileges appertaining to these; and

424 (c) improvements.

425 (33) (a) "Relationship with an owner of the property's land surface rights" means a  
426 relationship described in Subsection 267(b), Internal Revenue Code, except that the term 25%  
427 shall be substituted for the term 50% in Subsection 267(b), Internal Revenue Code.

428 (b) For purposes of determining if a relationship described in Subsection 267(b),  
429 Internal Revenue Code, exists, the ownership of stock shall be determined using the ownership  
430 rules in Subsection 267(c), Internal Revenue Code.

431 (34) (a) "Residential property," for purposes of the reductions and adjustments under  
432 this chapter, means any property used for residential purposes as a primary residence.

433 (b) "Residential property" includes:

434 (i) except as provided in Subsection (34)(b)(ii), includes household furnishings,  
435 furniture, and equipment if the household furnishings, furniture, and equipment are:

436 (A) used exclusively within a dwelling unit that is the primary residence of a tenant;

437 and

438 (B) owned by the owner of the dwelling unit that is the primary residence of a tenant;

439 and

440 (ii) if the county assessor determines that the property will be used for residential  
441 purposes as a primary residence:

442 (A) property under construction; or

443 (B) unoccupied property.

444 (c) "Residential property" does not include property used for transient residential use.

445 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
446 commission may by rule define the term "dwelling unit" for purposes of Subsection (31) and  
447 this Subsection (34).

448 (35) "Split estate mineral rights owner" means a person that:

449 (a) has a legal right to extract a mineral from property;

450 (b) does not hold more than a 25% interest in:

451 (i) the land surface rights of the property where the wellhead is located; or

452 (ii) an entity with an ownership interest in the land surface rights of the property where  
453 the wellhead is located;

454 (c) is not an entity in which the owner of the land surface rights of the property where  
455 the wellhead is located holds more than a 25% interest; and

456 (d) does not have a relationship with an owner of the land surface rights of the property  
457 where the wellhead is located.

458 (36) (a) "State-assessed commercial vehicle" means:

459 (i) any commercial vehicle, trailer, or semitrailer that operates interstate or intrastate to  
460 transport passengers, freight, merchandise, or other property for hire; or

461 (ii) any commercial vehicle, trailer, or semitrailer that operates interstate and transports



462 the vehicle owner's goods or property in furtherance of the owner's commercial enterprise.

463 (b) "State-assessed commercial vehicle" does not include vehicles used for hire that are  
464 specified in Subsection (10)(c) as county-assessed commercial vehicles.

465 (37) "Subdivided lot" means a lot, parcel, or other division of land, that is a division of  
466 a base parcel.

467 (38) "Tax area" means a geographic area created by the overlapping boundaries of one  
468 or more taxing entities.

469 (39) "Taxable value" means fair market value less any applicable reduction allowed for  
470 residential property under Section [59-2-103](#).

471 (40) "Taxing entity" means any county, city, town, school district, special taxing  
472 district, local district under Title 17B, Limited Purpose Local Government Entities - Local  
473 Districts, or other political subdivision of the state with the authority to levy a tax on property.

474 (41) (a) "Tax roll" means a permanent record of the taxes charged on property, as  
475 extended on the assessment roll, and may be maintained on the same record or records as the  
476 assessment roll or may be maintained on a separate record properly indexed to the assessment  
477 roll.

478 (b) "Tax roll" includes tax books, tax lists, and other similar materials.

479 Section 4. Section **59-7-159** is amended to read:

480 **59-7-159. Review of credits allowed under this chapter.**

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

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

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

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

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

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

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

496 (iv) ensure that the committee's recommendations described in this section include an  
497 evaluation of:

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

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

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

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

503 (3) (a) On or before November 30, 2017, and every three years after 2017, the  
504 committee shall conduct the review required under Subsection (2) of the tax credits allowed  
505 under the following sections:

506 [~~(i) Section 59-7-601;~~]

507 [~~(ii)~~] (i) Section 59-7-607;

508 [~~(iii)~~] (ii) Section 59-7-612; and

509 [~~(iv)~~] (iii) Section 59-7-614.1[~~;~~ and].

510 [~~(v) Section 59-7-614.5;~~]

511 (b) On or before November 30, 2018, and every three years after 2018, the committee  
512 shall conduct the review required under Subsection (2) of the tax credits allowed under the  
513 following sections:

514 [~~(i) Section 59-7-609;~~]

515 [~~(ii) Section 59-7-614.2;~~]

516 [~~(iii)~~] (i) Section 59-7-614.10;

517 [~~(iv)~~] (ii) Section 59-7-619; and

518 [~~(v) Section 59-7-620;~~ and]

519 [~~(vi)~~] (iii) Section 59-7-624.

520 (c) On or before November 30, 2019, and every three years after 2019, the committee  
521 shall conduct the review required under Subsection (2) of the tax credits allowed under [~~the~~  
522 ~~following sections:~~] Section 59-7-614.

523 [~~(i) Section 59-7-610;~~]

524 ~~[(ii) Section 59-7-614; and]~~

525 ~~[(iii) Section 59-7-614.7.]~~

526 (d) (i) In addition to the reviews described in this Subsection (3), the committee shall  
527 conduct a review of a tax credit described in this chapter that is enacted on or after January 1,  
528 2017.

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

531 Section 5. Section 59-7-538 is enacted to read:

532 **59-7-538. Carry forward of expired or repealed tax credit.**

533 When a nonrefundable corporate income tax credit under Part 6, Credits, expires or is  
534 repealed, the commission shall allow a taxpayer to carry forward any amount of the tax credit  
535 that remains for the period of time described in the tax credit for the taxable year in which the  
536 taxpayer first claimed the tax credit.

537 Section 6. Section 59-7-612 is amended to read:

538 **59-7-612. Tax credits for research activities conducted in the state -- Carry**  
539 **forward -- Worksheet -- Commission to report modification or repeal of certain federal**  
540 **provisions -- Revenue and Taxation Interim Committee study.**

541 (1) (a) As used in this section:

542 (i) "Basic research" means the same as that term is defined in Section 41(e)(7), Internal  
543 Revenue Code, except that the term includes only basic research conducted in this state.

544 (ii) "Committee" means the Revenue and Taxation Interim Committee.

545 (iii) "Qualified research" means the same as that term is defined in Section 41(d),  
546 Internal Revenue Code, except that the term includes only qualified research conducted in this  
547 state.

548 (iv) "Qualified research expenses" means the same as that term is defined in Section  
549 41(b), Internal Revenue Code, except that the term includes only:

550 (A) in-house research expenses incurred in this state; and

551 (B) contract research expenses incurred in this state.

552 (b) Except as provided in Subsection (1)(a), a term used in this section that is defined  
553 in Section 41, Internal Revenue Code, means the same as that term is defined in Section 41,  
554 Internal Revenue Code.

555 ~~[(1)]~~ (2) (a) A taxpayer meeting the requirements of this section may claim the  
 556 following nonrefundable tax credits:

557 (i) a research tax credit of 5% of the taxpayer's qualified research expenses for the  
 558 current taxable year that exceed the base amount provided for under Subsection ~~[(4)];~~ (5); and

559 (ii) a tax credit for a payment to a qualified organization for basic research as provided  
 560 in Section 41(e), Internal Revenue Code, of 5% for the current taxable year that exceed the  
 561 base amount provided for under Subsection ~~[(4); and]~~ (5).

562 ~~[(iii) a tax credit equal to 7.5% of the taxpayer's qualified research expenses for the  
 563 current taxable year.]~~

564 (b) Subject to Subsection ~~[(5)]~~ (6), a taxpayer may claim a tax credit under:

565 (i) Subsection ~~[(1)(a)(i) or (1)(a)(iii)]~~ (2)(a)(i), for the taxable year for which the  
 566 taxpayer incurs the qualified research expenses; or

567 (ii) Subsection ~~[(1)]~~ (2)(a)(ii), for the taxable year for which the taxpayer makes the  
 568 payment to the qualified organization.

569 (c) The tax credits provided for in this section:

570 (i) do not include the alternative incremental credit provided for in Section 41(c)(4),  
 571 Internal Revenue Code[-]; and

572 (ii) do not terminate if a credit terminates under Section 41, Internal Revenue Code.

573 ~~[(2)]~~ (3) For purposes of claiming a tax credit under this section, a unitary group as  
 574 defined in Section 59-7-101 is considered to be one taxpayer.

575 ~~[(3)]~~ (4) Except as specifically provided for in this section~~[-(a)]~~, the tax credits  
 576 authorized under Subsection ~~[(1)]~~ (2) shall be calculated as provided in Section 41, Internal  
 577 Revenue Code~~[-; and]~~.

578 ~~[(b) the definitions provided in Section 41, Internal Revenue Code, apply in calculating  
 579 the tax credits authorized under Subsection (1):]~~

580 ~~[(4)]~~ (5) For purposes of this section~~[-(a)]~~ the base amount shall be calculated as  
 581 provided in Sections 41(c) and 41(h), Internal Revenue Code, except that:

582 ~~[(i)]~~ (a) the base amount does not include the calculation of the alternative incremental  
 583 credit provided for in Section 41(c)(4), Internal Revenue Code;

584 ~~[(ii)]~~ (b) a taxpayer's gross receipts include only those gross receipts attributable to  
 585 sources within this state as provided in Part 3, Allocation and Apportionment of Income - Utah

586 UDITPA Provisions; and

587 ~~[(iii)]~~ (c) notwithstanding Section 41(c), Internal Revenue Code, for purposes of  
588 calculating the base amount, a taxpayer:

589 ~~[(A)]~~ (i) may elect to be treated as a start-up company as provided in Section  
590 41(c)(3)(B), Internal Revenue Code, regardless of whether the taxpayer meets the requirements  
591 of Section 41(c)(3)(B)(i)(I) or (II), Internal Revenue Code; and

592 ~~[(B)]~~ (ii) may not revoke an election to be treated as a start-up company under  
593 Subsection ~~[(4)(a)(iii)(A)];~~ (5)(c)(i).

594 ~~[(b) "basic research" is as defined in Section 41(c)(7), Internal Revenue Code, except  
595 that the term includes only basic research conducted in this state;]~~

596 ~~[(c) "qualified research" is as defined in Section 41(d), Internal Revenue Code, except  
597 that the term includes only qualified research conducted in this state;]~~

598 ~~[(d) "qualified research expenses" is as defined and calculated in Section 41(b);  
599 Internal Revenue Code, except that the term includes only:]~~

600 ~~[(i) in-house research expenses incurred in this state; and]~~

601 ~~[(ii) contract research expenses incurred in this state; and]~~

602 ~~[(e) a tax credit provided for in this section is not terminated if a credit terminates  
603 under Section 41, Internal Revenue Code.]~~

604 ~~[(5)(a)]~~ (6) If the amount of a tax credit claimed by a taxpayer under Subsection  
605 ~~[(1)(a)(i) or (ii)]~~ (2) exceeds the taxpayer's tax liability under this chapter for a taxable year, the  
606 ~~[amount of the tax credit exceeding the tax liability]~~ taxpayer:

607 ~~[(i) may be carried forward]~~

608 (a) may carry forward the amount of the tax credit that exceeds the taxpayer's tax  
609 liability for a period that does not exceed the next 14 taxable years; and

610 ~~[(ii)]~~ (b) may not ~~[be carried back]~~ carry back the amount of the tax credit that exceeds  
611 the taxpayer's tax liability to a taxable year preceding the current taxable year.

612 ~~[(b) A taxpayer may not carry forward the tax credit allowed by Subsection (1)(a)(iii).]~~

613 (7) (a) (i) The commission shall provide a worksheet for calculating the tax credits  
614 available under this section.

615 (ii) A taxpayer shall complete the worksheet for each taxable year in which the  
616 taxpayer claims a tax credit under this section and retain the completed worksheet for the same

617 time period that a person is required to keep books and records under Section 59-1-1406.

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

622 ~~[(7)]~~ (8) If a provision of Section 41, Internal Revenue Code, is modified or repealed,  
623 the commission shall provide an electronic report of the modification or repeal to the ~~[Revenue~~  
624 ~~and Taxation Interim Committee]~~ committee within 60 days after the day on which the  
625 modification or repeal becomes effective.

626 ~~[(8)]~~ (9) (a) The ~~[Revenue and Taxation Interim Committee]~~ committee shall review  
627 the tax credits provided for in this section on or before October 1 of the year after the year in  
628 which the commission reports under Subsection ~~[(7)]~~ (8) a modification or repeal of a  
629 provision of Section 41, Internal Revenue Code.

630 (b) The review described in Subsection ~~[(8)]~~ (9)(a) is in addition to the review required  
631 by Section 59-7-159.

632 (c) Notwithstanding Subsection ~~[(8)]~~ (9)(a), the Revenue and Taxation Interim  
633 Committee is not required to review the tax credits provided for in this section if the only  
634 modification to a provision of Section 41, Internal Revenue Code, is the extension of the  
635 termination date provided for in Section 41(h), Internal Revenue Code.

636 (d) The ~~[Revenue and Taxation Interim Committee]~~ committee shall address in a  
637 review under this section:

- 638 (i) the cost of the tax credits provided for in this section;  
639 (ii) the purpose and effectiveness of the tax credits provided for in this section;  
640 (iii) whether the tax credits provided for in this section benefit the state; and  
641 (iv) whether the tax credits provided for in this section should be:  
642 (A) continued;  
643 (B) modified; or  
644 (C) repealed.

645 (e) If the ~~[Revenue and Taxation Interim Committee reviews the tax credits provided~~  
646 ~~for in this section]~~ committee conducts a review under this Subsection (9), the committee shall  
647 issue a report of the ~~[Revenue and Taxation Interim Committee's]~~ committee's findings.

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

649 **59-7-614. Renewable energy systems tax credits -- Definitions -- Certification --**  
650 **Rulemaking authority.**

651 (1) As used in this section:

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

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

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

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

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

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

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

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

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

664 (B) a biomass system;

665 (C) a direct use geothermal system;

666 (D) a geothermal electricity system;

667 (E) a geothermal heat pump system;

668 (F) a hydroenergy system;

669 (G) a passive solar system; or

670 (H) a wind system;

671 (ii) located in the state; and

672 (iii) used:

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

674 (B) as a commercial enterprise.

675 (d) "Commercial enterprise" means an entity, the purpose of which is to produce:

676 (i) electrical, mechanical, or thermal energy for sale from a commercial energy system;

677 or

678 (ii) hydrogen for sale from a hydrogen production system.

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

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

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

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

687 (f) "Direct use geothermal system" means a system of apparatus and equipment that  
688 enables the direct use of geothermal energy to meet energy needs, including heating a building,  
689 an industrial process, and aquaculture.

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

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

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

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

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

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

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

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

699 of:

700 (i) intercepting and converting kinetic water energy into electrical or mechanical  
701 energy; and

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

703 (k) "Hydrogen production system" means a system of apparatus and equipment, located  
704 in this state, that uses:

705 (i) electricity from a renewable energy source to create hydrogen gas from water,  
706 regardless of whether the renewable energy source is at a separate facility or the same facility  
707 as the system of apparatus and equipment; or

708 (ii) uses renewable natural gas to produce hydrogen gas.

709 (l) "Office" means the Office of Energy Development created in Section [79-6-401](#).



710 (m) (i) "Passive solar system" means a direct thermal system that utilizes the structure  
711 of a building and the structure's operable components to provide for collection, storage, and  
712 distribution of heating or cooling during the appropriate times of the year by utilizing the  
713 climate resources available at the site.

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

716 (n) "Photovoltaic system" means an active solar system that generates electricity from  
717 sunlight.

718 (o) (i) "Principal recovery portion" means the portion of a lease payment that  
719 constitutes the cost a person incurs in acquiring a commercial energy system.

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

721 (A) an interest charge; or

722 (B) a maintenance expense.

723 (p) "Renewable energy source" means the same as that term is defined in Section  
724 54-17-601.

725 ~~[(q) "Residential energy system" means the following used to supply energy to or for a  
726 residential unit:]~~

727 ~~[(i) an active solar system;]~~

728 ~~[(ii) a biomass system;]~~

729 ~~[(iii) a direct use geothermal system;]~~

730 ~~[(iv) a geothermal heat pump system;]~~

731 ~~[(v) a hydroenergy system;]~~

732 ~~[(vi) a passive solar system; or]~~

733 ~~[(vii) a wind system.]~~

734 ~~[(r) (i) "Residential unit" means a house, condominium, apartment, or similar dwelling  
735 unit that:]~~

736 ~~[(A) is located in the state; and]~~

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

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

739 ~~[(A) Section 59-2-405;]~~

740 ~~[(B) Section 59-2-405.1;]~~

741 ~~[(C) Section 59-2-405.2;]~~

742 ~~[(D) Section 59-2-405.3; or]~~

743 ~~[(E) Section 72-10-110.5.]~~

744 ~~[(S)]~~ (q) "Wind system" means a system of apparatus and equipment that is capable of:

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

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

747 or storage.

748 (2) A taxpayer may claim an energy system tax credit as provided in this section

749 against a tax due under this chapter for a taxable year.

750 ~~[(3)(a) Subject to the other provisions of this Subsection (3), a taxpayer may claim a~~  
751 ~~nonrefundable tax credit under this Subsection (3) with respect to a residential unit the taxpayer~~  
752 ~~owns or uses if:]~~

753 ~~[(i) the taxpayer:]~~

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

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

758 ~~[(ii) the taxpayer obtains a written certification from the office in accordance with~~  
759 ~~Subsection (8).]~~

760 ~~[(b) (i) Subject to Subsections (3)(b)(ii) through (iv) and, as applicable, Subsection~~  
761 ~~(3)(c) or (d), the tax credit is equal to 25% of the reasonable costs of each residential energy~~  
762 ~~system installed with respect to each residential unit the taxpayer owns or uses.]~~

763 ~~[(ii) A tax credit under this Subsection (3) may include installation costs.]~~

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

766 ~~[(iv) If the amount of a tax credit under this Subsection (3) exceeds a taxpayer's tax~~  
767 ~~liability under this chapter for a taxable year, the taxpayer may carry forward the amount of the~~  
768 ~~tax credit exceeding the liability for a period that does not exceed the next four taxable years.]~~

769 ~~[(c) The total amount of tax credit a taxpayer may claim under this Subsection (3) for a~~  
770 ~~residential energy system, other than a photovoltaic system, may not exceed \$2,000 per~~  
771 ~~residential unit.]~~

772 ~~[(d) The total amount of tax credit a taxpayer may claim under this Subsection (3) for a~~  
773 ~~photovoltaic system may not exceed:]~~

774 ~~[(i) for a system installed on or after January 1, 2018, but on or before December 31,~~  
775 ~~2020, \$1,600;]~~

776 ~~[(ii) for a system installed on or after January 1, 2021, but on or before December 31,~~  
777 ~~2021, \$1,200;]~~

778 ~~[(iii) for a system installed on or after January 1, 2022, but on or before December 31,~~  
779 ~~2022, \$800;]~~

780 ~~[(iv) for a system installed on or after January 1, 2023, but on or before December 31,~~  
781 ~~2023, \$400; and]~~

782 ~~[(v) for a system installed on or after January 1, 2024, \$0.]~~

783 ~~[(e) If a taxpayer sells a residential unit to another person before the taxpayer claims~~  
784 ~~the tax credit under this Subsection (3):]~~

785 ~~[(i) the taxpayer may assign the tax credit to the other person; and]~~

786 ~~[(ii) (A) if the other person files a return under this chapter, the other person may claim~~  
787 ~~the tax credit under this section as if the other person had met the requirements of this section~~  
788 ~~to claim the tax credit; or]~~

789 ~~[(B) if the other person files a return under Chapter 10, Individual Income Tax Act, the~~  
790 ~~other person may claim the tax credit under Section 59-10-1014 as if the other person had met~~  
791 ~~the requirements of Section 59-10-1014 to claim the tax credit.]~~

792 ~~[(4)] (3) (a) Subject to the other provisions of this Subsection [(4)] (3), a taxpayer may~~  
793 ~~claim a refundable tax credit under this Subsection [(4)] (3) with respect to a commercial~~  
794 ~~energy system if:~~

795 ~~(i) the commercial energy system does not use:~~

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

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

799 ~~(ii) the taxpayer purchases or participates in the financing of the commercial energy~~  
800 ~~system;~~

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

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

805 (iv) the taxpayer has not claimed and will not claim a tax credit under Subsection [~~(7)~~]  
806 (6) for hydrogen production using electricity for which the taxpayer claims a tax credit under  
807 this Subsection [~~(4)~~] (3); and

808 (v) the taxpayer obtains a written certification from the office in accordance with  
809 Subsection [~~(8)~~] (7).

810 (b) (i) Subject to Subsections [~~(4)~~] (3)(b)(ii) through (iv), the tax credit is equal to [~~10~~]  
811 5% of the reasonable costs of the commercial energy system.

812 (ii) A tax credit under this Subsection [~~(4)~~] (3) may include installation costs.

813 (iii) A taxpayer is eligible to claim a tax credit under this Subsection [~~(4)~~] (3) for the  
814 taxable year in which the commercial energy system is completed and placed in service.

815 (iv) The total amount of tax credit a taxpayer may claim under this Subsection [~~(4)~~] (3)  
816 may not exceed [~~\$50,000~~] \$25,000 per commercial unit.

817 (c) (i) Subject to Subsections [~~(4)~~] (3)(c)(ii) and (iii), a taxpayer that is a lessee of a  
818 commercial energy system installed on a commercial unit may claim a tax credit under this  
819 Subsection [~~(4)~~] (3) if the taxpayer confirms that the lessor irrevocably elects not to claim the  
820 tax credit.

821 (ii) A taxpayer described in Subsection [~~(4)~~] (3)(c)(i) may claim as a tax credit under  
822 this Subsection [~~(4)~~] (3) only the principal recovery portion of the lease payments.

823 (iii) A taxpayer described in Subsection [~~(4)~~] (3)(c)(i) may claim a tax credit under this  
824 Subsection [~~(4)~~] (3) for a period that does not exceed seven taxable years after the day on  
825 which the lease begins, as stated in the lease agreement.

826 [~~(5)~~] (4) (a) Subject to the other provisions of this Subsection [~~(5)~~] (4), a taxpayer may  
827 claim a refundable tax credit under this Subsection [~~(5)~~] (4) with respect to a commercial  
828 energy system if:

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

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

833 (B) the taxpayer sells all or part of the energy produced by the commercial energy

834 system as a commercial enterprise;

835 (iii) the taxpayer has not claimed and will not claim a tax credit under Subsection [(7)]  
836 (6) for hydrogen production using electricity for which the taxpayer claims a tax credit under  
837 this Subsection [(5)] (4); and

838 (iv) the taxpayer obtains a written certification from the office in accordance with  
839 Subsection [(8)] (7).

840 (b) (i) Subject to Subsection [(5)] (4)(b)(ii), a tax credit under this Subsection [(5)] (4)  
841 is equal to the product of:

842 (A) [~~0.35 cents~~] \$0.175; and

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

844 (ii) A taxpayer is eligible to claim a tax credit under this Subsection [(5)] (4) for  
845 production occurring during a period of 48 months beginning with the month in which the  
846 commercial energy system is placed in commercial service.

847 (c) A taxpayer that is a lessee of a commercial energy system installed on a commercial  
848 unit may claim a tax credit under this Subsection [(5)] (4) if the taxpayer confirms that the  
849 lessor irrevocably elects not to claim the tax credit.

850 [(6)] (5) (a) Subject to the other provisions of this Subsection [(6)] (5), a taxpayer may  
851 claim a refundable tax credit as provided in this Subsection [(6)] (5) if:

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

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

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

858 (iii) the taxpayer does not claim a tax credit under Subsection [(4)] (3) and has not  
859 claimed and will not claim a tax credit under Subsection [(7)] (6) for hydrogen production  
860 using electricity for which a taxpayer claims a tax credit under this Subsection [(6)] (5); and

861 (iv) the taxpayer obtains a written certification from the office in accordance with  
862 Subsection [(8)] (7).

863 (b) (i) Subject to Subsection [(6)] (5)(b)(ii), a tax credit under this Subsection [(6)] (5)  
864 is equal to the product of:

865 (A) [~~0.35 cents~~] \$0.175; and

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

867 (ii) A taxpayer is eligible to claim a tax credit under this Subsection [~~(6)~~] (5) for  
868 production occurring during a period of 48 months beginning with the month in which the  
869 commercial energy system is placed in commercial service.

870 (c) A taxpayer that is a lessee of a commercial energy system installed on a commercial  
871 unit may claim a tax credit under this Subsection [~~(6)~~] (5) if the taxpayer confirms that the  
872 lessor irrevocably elects not to claim the tax credit.

873 [~~(7)~~] (6) (a) A taxpayer may claim a refundable tax credit as provided in this  
874 Subsection [~~(7)~~] (6) if:

875 (i) the taxpayer owns a hydrogen production system;

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

878 (iii) the taxpayer sells as a commercial enterprise, or supplies for the taxpayer's own  
879 use in commercial units, the hydrogen produced from the hydrogen production system;

880 (iv) the taxpayer has not claimed and will not claim a tax credit under Subsection [~~(4)~~;  
881 ~~(5)~~, or ~~(6)~~] (3), (4), or (5) or Section 59-7-626 for electricity or hydrogen used to meet the  
882 requirements of this Subsection [~~(7)~~] (6); and

883 (v) the taxpayer obtains a written certification from the office in accordance with  
884 Subsection [~~(8)~~] (7).

885 (b) (i) Subject to Subsections [~~(7)~~] (6)(b)(ii) and (iii), a tax credit under this Subsection  
886 [~~(7)~~] (6) is equal to the product of:

887 (A) \$0.12; and

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

889 (ii) A taxpayer may not receive a tax credit under this Subsection [~~(7)~~] (6) for more  
890 than 5,600 metric tons of hydrogen per taxable year.

891 (iii) A taxpayer is eligible to claim a tax credit under this Subsection [~~(7)~~] (6) for  
892 production occurring during a period of 48 months beginning with the month in which the  
893 hydrogen production system is placed in commercial service.

894 [~~(8)~~] (7) (a) Before a taxpayer may claim a tax credit under this section, the taxpayer  
895 shall obtain a written certification from the office.

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

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

898 (ii) [~~the residential energy system,~~] the commercial energy system[;] or the hydrogen  
899 production system with respect to which the taxpayer seeks to claim a tax credit:

900 (A) has been completely installed;

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

902 (C) is safe, reliable, efficient, and technically feasible to ensure that [~~the residential  
903 energy system,~~] the commercial energy system[;] or the hydrogen production system uses the  
904 state's renewable and nonrenewable energy resources in an appropriate and economic manner.

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

907 (i) for determining whether [~~a residential energy system,~~] a commercial energy  
908 system[;] or a hydrogen production system meets the requirements of Subsection [~~(8)~~  
909 (7)](b)(ii); and

910 (ii) for purposes of a tax credit under Subsection (3)[~~, (4), or (6)~~], establishing the  
911 reasonable costs of [~~a residential energy system or~~] a commercial energy system, as an amount  
912 per unit of energy production.

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

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

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

919 (ii) for each taxpayer:

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

921 (B) the date the renewable energy system was installed.

922 [~~(9)~~] (8) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking  
923 Act, the commission may make rules to address the certification of a tax credit under this  
924 section.

925 [~~(10)~~] (9) A tax credit under this section is in addition to any tax credits provided under  
926 the laws or rules and regulations of the United States.

927 Section 8. Section **59-7-614.2** is amended to read:

928 **59-7-614.2. Refundable economic development tax credit.**

929 (1) As used in this section:

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

932 (b) "Community reinvestment agency" means the same as that term is defined in  
933 Section [17C-1-102](#).

934 (c) "Incremental job" means the same as that term is defined in Section [63N-1a-102](#).

935 (d) "Local government entity" means the same as that term is defined in Section  
936 [63N-2-103](#).

937 (e) "New state revenue" means the same as that term is defined in Section [63N-1a-102](#).

938 (f) "Office" means the Governor's Office of Economic Opportunity.

939 (2) Subject to the other provisions of this section, a business entity, local government  
940 entity, or community reinvestment agency may claim a refundable tax credit for economic  
941 development.

942 (3) The tax credit under this section is the amount listed as the tax credit amount on the  
943 tax credit certificate that the office issues to the business entity, local government entity, or  
944 community reinvestment agency for the taxable year.

945 (4) A community reinvestment agency may claim a tax credit under this section only if  
946 a local government entity assigns the tax credit to the community reinvestment agency in  
947 accordance with Section [63N-2-104](#).

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

951 (i) a local government entity;

952 (ii) a community reinvestment agency; or

953 (iii) a business entity if the amount of the tax credit exceeds the business entity's tax  
954 liability for a taxable year.

955 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
956 commission may make rules providing procedures for making a refund to a business entity,  
957 local government entity, or community reinvestment agency as required by Subsection (5)(a).



958 ~~[(6)(a) In accordance with Section 59-7-159, the Revenue and Taxation Interim~~  
959 ~~Committee shall study the tax credit allowed by this section and make recommendations~~  
960 ~~concerning whether the tax credit should be continued, modified, or repealed.]~~

961 ~~[(b) Except as provided in Subsection (6)(c), for purposes of the study required by this~~  
962 ~~Subsection (6), the office shall provide the following information, if available to the office, to~~  
963 ~~the Revenue and Taxation Interim Committee by electronic means:]~~

964 ~~[(i) the amount of tax credit that the office grants to each business entity, local~~  
965 ~~government entity, or community reinvestment agency for each calendar year;]~~

966 ~~[(ii) the criteria that the office uses in granting a tax credit;]~~

967 ~~[(iii) (A) for a business entity, the new state revenue generated by the business entity~~  
968 ~~for the calendar year; or]~~

969 ~~[(B) for a local government entity, regardless of whether the local government entity~~  
970 ~~assigns the tax credit in accordance with Section 63N-2-104, the new state revenue generated~~  
971 ~~as a result of a new commercial project within the local government entity for each calendar~~  
972 ~~year;]~~

973 ~~[(iv) estimates for each of the next three calendar years of the following:]~~

974 ~~[(A) the amount of tax credits that the office will grant;]~~

975 ~~[(B) the amount of new state revenue that will be generated; and]~~

976 ~~[(C) the number of new incremental jobs within the state that will be generated;]~~

977 ~~[(v) the information contained in the office's latest report under Section 63N-2-106;~~  
978 ~~and]~~

979 ~~[(vi) any other information that the Revenue and Taxation Interim Committee~~  
980 ~~requests:]~~

981 ~~[(c)(i) In providing the information described in Subsection (6)(b), the office shall~~  
982 ~~redact information that identifies a recipient of a tax credit under this section.]~~

983 ~~[(ii) If, notwithstanding the redactions made under Subsection (6)(c)(i), reporting the~~  
984 ~~information described in Subsection (6)(b) might disclose the identity of a recipient of a tax~~  
985 ~~credit, the office may file a request with the Revenue and Taxation Interim Committee to~~  
986 ~~provide the information described in Subsection (6)(b) in the aggregate for all entities and~~  
987 ~~agencies that receive the tax credit under this section.]~~

988 ~~[(d) The Revenue and Taxation Interim Committee shall ensure that the~~

989 ~~recommendations described in Subsection (6)(a) include an evaluation of:]~~

990 ~~[(i) the cost of the tax credit to the state;]~~

991 ~~[(ii) the purpose and effectiveness of the tax credit; and]~~

992 ~~[(iii) the extent to which the state benefits from the tax credit.]~~

993 Section 9. Section **59-7-624** is amended to read:

994 **59-7-624. Targeted business income tax credit.**

995 (1) As used in this section, "business applicant" means the same as that term is defined  
996 in Section [63N-2-302](#).

997 (2) A business applicant that is certified and issued a targeted business income tax  
998 eligibility certificate by the Governor's Office of Economic Opportunity under Section  
999 [63N-2-304](#) may claim a refundable tax credit in the amount specified on the targeted business  
1000 income tax eligibility certificate.

1001 (3) For a taxable year for which a business applicant claims a targeted business income  
1002 tax credit under this section, the business applicant may not claim or carry forward a tax credit  
1003 under [~~Section [59-7-610](#), Section [59-10-1007](#), or~~] Title 63N, Chapter 2, Part 2, Enterprise Zone  
1004 Act.

1005 Section 10. Section **59-7-903** is amended to read:

1006 **59-7-903. Removal of tax credit from tax return -- Prohibition on claiming a tax**  
1007 **credit -- Commission publishing requirements.**

1008 (1) Subject to Subsection (2) [~~and except as provided in Subsection (3)~~], the  
1009 commission shall remove a tax credit from a tax return and a person filing a tax return may not  
1010 claim the tax credit if:

1011 (a) the total amount of tax credit claimed or carried forward by all persons who file a  
1012 tax return is less than \$10,000 per taxable year for three consecutive taxable years; and

1013 (b) less than 10 persons per year for the three consecutive taxable years described in  
1014 Subsection (1)(a) file a tax return claiming or carrying forward the tax credit.

1015 (2) If the commission determines the requirements of Subsection (1) are met, the  
1016 commission shall remove a tax credit from a tax return and a person filing a tax return may not  
1017 claim the tax credit beginning two taxable years after the January 1 immediately following the  
1018 date the commission determines the requirements of Subsection (1) are met.

1019 [~~(3) This section does not apply to a tax credit under Section [59-7-609](#);~~]

1020           ~~[(4)]~~ (3) The commission shall, on or before the November interim meeting of the year  
1021 after the taxable year in which the commission determines the requirements of Subsection (1)  
1022 are met, report to the Revenue and Taxation Interim Committee by electronic means that, in  
1023 accordance with this section:

1024           (a) the commission is required to remove a tax credit from a return on which the tax  
1025 credit appears; and

1026           (b) a person filing a tax return may not claim the tax credit.

1027           ~~[(5)]~~ (4) (a) Within a 30-day period after making the report required by Subsection  
1028 ~~[(4)]~~ (3), the commission shall publish a list in accordance with Subsection ~~[(5)]~~ (4)(b) stating  
1029 each tax credit that the commission will remove from a return on which the tax credit appears.

1030           (b) The list shall:

1031           (i) be published on:

1032           (A) the commission's website; and

1033           (B) the public legal notice website in accordance with Section 45-1-101;

1034           (ii) include a statement that:

1035           (A) the commission is required to remove the tax credit from each return on which the  
1036 tax credit appears; and

1037           (B) the tax credit may not be claimed on a return;

1038           (iii) state the taxable year for which the removal described in Subsection ~~[(5)]~~ (4)(a)  
1039 takes effect; and

1040           (iv) remain available for viewing and searching until the commission publishes a new  
1041 list in accordance with this Subsection ~~[(5)]~~ (4).

1042           Section 11. Section 59-10-137 is amended to read:

1043           **59-10-137. Review of credits allowed under this chapter.**

1044           (1) As used in this section, "committee" means the Revenue and Taxation Interim  
1045 Committee.

1046           (2) (a) The committee shall review the tax credits described in this chapter as provided  
1047 in Subsection (3) and make recommendations concerning whether the tax credits should be  
1048 continued, modified, or repealed.

1049           (b) In conducting the review required under Subsection (2)(a), the committee shall:

1050           (i) schedule time on at least one committee agenda to conduct the review;

1051 (ii) invite state agencies, individuals, and organizations concerned with the tax credit  
1052 under review to provide testimony;

1053 (iii) (A) invite the Governor's Office of Economic Opportunity to present a summary  
1054 and analysis of the information for each tax credit regarding which the Governor's Office of  
1055 Economic Opportunity is required to make a report under this chapter; and

1056 (B) invite the Office of the Legislative Fiscal Analyst to present a summary and  
1057 analysis of the information for each tax credit regarding which the Office of the Legislative  
1058 Fiscal Analyst is required to make a report under this chapter;

1059 (iv) ensure that the committee's recommendations described in this section include an  
1060 evaluation of:

1061 (A) the cost of the tax credit to the state;

1062 (B) the purpose and effectiveness of the tax credit; and

1063 (C) the extent to which the state benefits from the tax credit; and

1064 (v) undertake other review efforts as determined by the committee chairs or as  
1065 otherwise required by law.

1066 (3) (a) On or before November 30, 2017, and every three years after 2017, the  
1067 committee shall conduct the review required under Subsection (2) of the tax credits allowed  
1068 under the following sections:

1069 (i) Section 59-10-1004;

1070 (ii) Section 59-10-1010;

1071 (iii) Section 59-10-1015;

1072 [~~(iv)~~ Section 59-10-1025;]

1073 [~~(v)~~ (iv) Section 59-10-1027;

1074 [~~(vi)~~ (v) Section 59-10-1031;

1075 [~~(vii)~~ (vi) Section 59-10-1032;

1076 [~~(viii)~~ (vii) Section 59-10-1035;

1077 [~~(ix)~~ (viii) Section 59-10-1104; and

1078 [~~(x)~~ (ix) Section 59-10-1105[; and].

1079 [~~(xi)~~ Section 59-10-1108.]

1080 (b) On or before November 30, 2018, and every three years after 2018, the committee  
1081 shall conduct the review required under Subsection (2) of the tax credits allowed under the

1082 following sections:

- 1083 (i) Section 59-10-1005;  
 1084 (ii) Section 59-10-1006;  
 1085 (iii) Section 59-10-1012;  
 1086 (iv) Section 59-10-1022;  
 1087 (v) Section 59-10-1023;  
 1088 (vi) Section 59-10-1028;  
 1089 (vii) Section 59-10-1034;  
 1090 (viii) Section 59-10-1037; and  
 1091 [~~(ix) Section 59-10-1107; and~~]  
 1092 [~~(x)~~ (ix) Section 59-10-1112.

1093 (c) On or before November 30, 2019, and every three years after 2019, the committee  
 1094 shall conduct the review required under Subsection (2) of the tax credits allowed under the  
 1095 following sections:

- 1096 [~~(i) Section 59-10-1007;~~]  
 1097 [~~(ii)~~ (i) Section 59-10-1014;  
 1098 [~~(iii)~~ (ii) Section 59-10-1017;  
 1099 [~~(iv)~~ (iii) Section 59-10-1018;  
 1100 [~~(v)~~ (iv) Section 59-10-1019;  
 1101 [~~(vi) Section 59-10-1024;~~]  
 1102 [~~(vii) Section 59-10-1029;~~]  
 1103 [~~(viii)~~ (v) Section 59-10-1036;  
 1104 [~~(ix)~~ (vi) Section 59-10-1106; and  
 1105 [~~(x)~~ (vii) Section 59-10-1111.

1106 (d) (i) In addition to the reviews described in this Subsection (3), the committee shall  
 1107 conduct a review of a tax credit described in this chapter that is enacted on or after January 1,  
 1108 2017.

1109 (ii) The committee shall complete a review described in this Subsection (3)(d) three  
 1110 years after the effective date of the tax credit and every three years after the initial review date.

1111 Section 12. Section 59-10-552 is enacted to read:

1112 **59-10-552. Carry forward of expired or repealed tax credit.**

1113 When a nonrefundable individual income tax credit, under Part 10, Nonrefundable Tax  
1114 Credit Act, expires or is repealed, the commission shall allow a claimant, estate, or trust to  
1115 carry forward any amount of the tax credit that remains for the period of time described in the  
1116 tax credit for the taxable year in which the claimant, estate, or trust first claimed the tax credit.

1117 Section 13. Section **59-10-1002.2** is amended to read:

1118 **59-10-1002.2. Apportionment of tax credits.**

1119 (1) A nonresident individual or a part-year resident individual that claims a tax credit  
1120 in accordance with Section [59-10-1017](#), [59-10-1018](#), [59-10-1019](#), [59-10-1022](#), [59-10-1023](#),  
1121 ~~[59-10-1024](#)~~, [59-10-1028](#), [59-10-1042](#), or [59-10-1043](#) may only claim an apportioned amount  
1122 of the tax credit equal to:

1123 (a) for a nonresident individual, the product of:

1124 (i) the state income tax percentage for the nonresident individual; and

1125 (ii) the amount of the tax credit that the nonresident individual would have been  
1126 allowed to claim but for the apportionment requirements of this section; or

1127 (b) for a part-year resident individual, the product of:

1128 (i) the state income tax percentage for the part-year resident individual; and

1129 (ii) the amount of the tax credit that the part-year resident individual would have been  
1130 allowed to claim but for the apportionment requirements of this section.

1131 (2) A nonresident estate or trust that claims a tax credit in accordance with Section  
1132 [59-10-1017](#), [59-10-1020](#), [59-10-1022](#), ~~[59-10-1024](#)~~ or [59-10-1028](#) may only claim an  
1133 apportioned amount of the tax credit equal to the product of:

1134 (a) the state income tax percentage for the nonresident estate or trust; and

1135 (b) the amount of the tax credit that the nonresident estate or trust would have been  
1136 allowed to claim but for the apportionment requirements of this section.

1137 Section 14. Section **59-10-1006** is amended to read:

1138 **59-10-1006. Historic preservation tax credit.**

1139 ~~[(1) (a) For tax years beginning January 1, 1993, and thereafter, there is allowed to a~~  
1140 ~~claimant, estate, or trust, as a nonrefundable tax credit against the income tax due, an amount~~  
1141 ~~equal to 20% of qualified rehabilitation expenditures, costing more than \$10,000, incurred in~~  
1142 ~~connection with any residential certified historic building. When qualifying expenditures of~~  
1143 ~~more than \$10,000 are incurred, the tax credit allowed by this section shall apply to the full~~

1144 amount of expenditures.]

1145 (1) As used in this section:

1146 (a) "Certified historic building" means a building that:

1147 (i) (A) is listed on the National Register of Historic Places within three years of taking  
1148 the credit under this section; or

1149 (B) is located in a National Register Historic District; and

1150 (ii) has been designated by the Division of State History as being of significance to the  
1151 district.

1152 (b) (i) "Qualified rehabilitation expenditures" means any amount properly chargeable  
1153 to the rehabilitation and restoration of the physical elements of the building, including the  
1154 historic decorative elements and the upgrading of the structural, mechanical, electrical, and  
1155 plumbing systems to applicable codes.

1156 (ii) "Qualified rehabilitation expenditures" does not include expenditures related to:

1157 (A) a claimant's, estate's, or trust's personal labor;

1158 (B) cost of acquisition of the property;

1159 (C) any expenditure attributable to the enlargement of an existing building;

1160 (D) rehabilitation of a certified historic building without the approval required in

1161 Subsection (2)(b); or

1162 (E) any expenditure attributable to landscaping or other site features, outbuildings,  
1163 garages, and related features.

1164 (c) "Residential" means a building used for residential use, either owner occupied or  
1165 income producing.

1166 (2) (a) A claimant, estate, or trust may claim a nonrefundable tax credit in an amount  
1167 equal to 10% of qualified rehabilitation expenses if the qualified rehabilitation expenses:

1168 (i) cost more than \$10,000; and

1169 (ii) are incurred in connection with any residential certified historic building.

1170 (b) [~~All rehabilitation work to which the tax credit may be applied shall be approved~~  
1171 by the State Historic Preservation Office prior to completion of the rehabilitation project] The  
1172 State Historic Preservation Office shall approve all rehabilitation work for which a claimant,  
1173 estate, or trust may claim a tax credit as meeting the Secretary of the Interior's Standards for  
1174 Rehabilitation before completion of the rehabilitation project so that the office can provide

1175 corrective comments to the claimant, estate, or trust [~~in order~~] to preserve the historical  
1176 qualities of the building.

1177 ~~[(c) Any amount of tax credit remaining may be carried forward to each of the five~~  
1178 ~~taxable years following the qualified expenditures.]~~

1179 (c) A claimant, estate, or trust may carry forward any amount of the tax credit that  
1180 exceeds the claimant's, estate's, or trust's tax liability for five taxable years after the year in  
1181 which the claimant, estate, or trust incurred the qualified rehabilitation expenditures.

1182 (d) The commission, in consultation with the Division of State History, shall  
1183 [~~promulgate~~] make rules to implement this section.

1184 ~~[(2) As used in this section:]~~

1185 ~~[(a) "Certified historic building" means a building that is listed on the National~~  
1186 ~~Register of Historic Places within three years of taking the credit under this section or that is~~  
1187 ~~located in a National Register Historic District and the building has been designated by the~~  
1188 ~~Division of State History as being of significance to the district.]~~

1189 ~~[(b) (i) "Qualified rehabilitation expenditures" means any amount properly chargeable~~  
1190 ~~to the rehabilitation and restoration of the physical elements of the building, including the~~  
1191 ~~historic decorative elements, and the upgrading of the structural, mechanical, electrical, and~~  
1192 ~~plumbing systems to applicable codes.]~~

1193 ~~[(ii) "Qualified rehabilitation expenditures" does not include expenditures related to:]~~

1194 ~~[(A) a claimant's, estate's, or trust's personal labor;]~~

1195 ~~[(B) cost of acquisition of the property;]~~

1196 ~~[(C) any expenditure attributable to the enlargement of an existing building;]~~

1197 ~~[(D) rehabilitation of a certified historic building without the approval required in~~  
1198 ~~Subsection (1)(b); or]~~

1199 ~~[(E) any expenditure attributable to landscaping and other site features, outbuildings,~~  
1200 ~~garages, and related features.]~~

1201 ~~[(c) "Residential" means a building used for residential use, either owner-occupied or~~  
1202 ~~income-producing.]~~

1203 Section 15. Section **59-10-1012** is amended to read:

1204 **59-10-1012. Tax credits for research activities conducted in the state -- Carry**  
1205 **forward -- Worksheet -- Commission to report modification or repeal of certain federal**



1206 **provisions -- Revenue and Taxation Interim Committee study.**

1207 (1) (a) As used in this section:

1208 (i) "Basic research" means the same as that term is defined in Section 41(e)(7), Internal  
1209 Revenue Code, except that the term includes only basic research conducted in this state.

1210 (ii) "Committee" means the Revenue and Taxation Interim Committee.

1211 (iii) "Qualified research" means the same as that term is defined in Section 41(d),  
1212 Internal Revenue Code, except that the term includes only qualified research conducted in this  
1213 state.

1214 (iv) "Qualified research expenses" means the same as that term is defined in Section  
1215 41(b), Internal Revenue Code, except that the term includes only:

1216 (A) in-house research expenses incurred in this state; and

1217 (B) contract research expenses incurred in this state.

1218 (b) Except as provided in Subsection (1)(a), a term used in this section that is defined  
1219 in Section 41, Internal Revenue Code, means the same as that term is defined in Section 41,  
1220 Internal Revenue Code.

1221 ~~[(1)]~~ (2) (a) A claimant, estate, or trust meeting the requirements of this section may  
1222 claim the following nonrefundable tax credits:

1223 (i) a research tax credit of 5% of the claimant's, estate's, or trust's qualified research  
1224 expenses for the current taxable year that exceed the base amount provided for under  
1225 Subsection ~~[(3)]~~ (4); and

1226 (ii) a tax credit for a payment to a qualified organization for basic research as provided  
1227 in Section 41(e), Internal Revenue Code, of 5% for the current taxable year that exceed the  
1228 base amount provided for under Subsection ~~[(3); and]~~ (4).

1229 ~~[(iii) a tax credit equal to 7.5% of the claimant's, estate's, or trust's qualified research~~  
1230 ~~expenses for the current taxable year.]~~

1231 (b) Subject to Subsection ~~[(4)]~~ (5), a claimant, estate, or trust may claim a tax credit  
1232 under:

1233 (i) Subsection ~~[(1)(a)(i) or (1)(a)(iii)]~~ (2)(a)(i), for the taxable year for which the  
1234 claimant, estate, or trust incurs the qualified research expenses; or

1235 (ii) Subsection ~~[(1)]~~ (2)(a)(ii), for the taxable year for which the claimant, estate, or  
1236 trust makes the payment to the qualified organization.

1237 (c) The tax credits provided for in this section:

1238 (i) do not include the alternative incremental credit provided for in Section 41(c)(4),

1239 Internal Revenue Code~~[-]; and~~

1240 (ii) do not terminate if a credit terminates under Section 41, Internal Revenue Code.

1241 ~~[(2)] (3) Except as specifically provided for in this section~~[-(a)]~~, the tax credits~~

1242 authorized under Subsection ~~[(1)] (2)~~ shall be calculated as provided in Section 41, Internal

1243 Revenue Code~~[-; and]~~.

1244 ~~[(b) the definitions provided in Section 41, Internal Revenue Code, apply in calculating~~

1245 ~~the tax credits authorized under Subsection (1).]~~

1246 ~~[(3)] (4) For purposes of this section~~[-(a)]~~, the base amount shall be calculated as~~

1247 provided in Sections 41(c) and 41(h), Internal Revenue Code, except that:

1248 ~~[(i)] (a) the base amount does not include the calculation of the alternative incremental~~

1249 credit provided for in Section 41(c)(4), Internal Revenue Code;

1250 ~~[(ii)] (b) a claimant's, estate's, or trust's gross receipts include only those gross receipts~~

1251 attributable to sources within this state as provided in Section 59-10-118; and

1252 ~~[(iii)] (c) notwithstanding Section 41(c), Internal Revenue Code, for purposes of~~

1253 calculating the base amount, a claimant, estate, or trust:

1254 ~~[(A)] (i) may elect to be treated as a start-up company as provided in Section~~

1255 41(c)(3)(B), Internal Revenue Code, regardless of whether the claimant, estate, or trust meets

1256 the requirements of Section 41(c)(3)(B)(i)(I) or (II), Internal Revenue Code; and

1257 ~~[(B)] (ii) may not revoke an election to be treated as a start-up company under~~

1258 Subsection ~~[(3)(a)(iii)(A);] (4)(c)(i).~~

1259 ~~[(b) "basic research" is as defined in Section 41(e)(7), Internal Revenue Code, except~~

1260 ~~that the term includes only basic research conducted in this state;]~~

1261 ~~[(c) "qualified research" is as defined in Section 41(d), Internal Revenue Code, except~~

1262 ~~that the term includes only qualified research conducted in this state;]~~

1263 ~~[(d) "qualified research expenses" is as defined and calculated in Section 41(b);~~

1264 Internal Revenue Code, except that the term includes only:]

1265 ~~[(i) in-house research expenses incurred in this state; and]~~

1266 ~~[(ii) contract research expenses incurred in this state; and]~~

1267 ~~[(e) a tax credit provided for in this section is not terminated if a credit terminates~~

1268 ~~under Section 41, Internal Revenue Code.]~~

1269 ~~[(4) (a)]~~ (5) If the amount of a tax credit claimed by a claimant, estate, or trust under  
1270 Subsection ~~[(1) (2)]~~ (2)(a)(i) or (ii) exceeds the claimant's, estate's, or trust's tax liability under this  
1271 chapter for a taxable year, the ~~[amount of the tax credit exceeding the tax liability]~~ claimant,  
1272 estate, or trust:

1273 ~~[(i) (a)]~~ (a) may ~~[be carried forward]~~ carry forward the amount of the tax credit that  
1274 exceeds the claimant's, estate's, or trust's tax liability for a period that does not exceed the next  
1275 14 taxable years; and

1276 ~~[(ii) (b)]~~ (b) may not ~~[be carried back]~~ carry back the amount of the tax credit that exceeds  
1277 the claimant's, estate's, or trust's tax liability to a taxable year preceding the current taxable  
1278 year.

1279 ~~[(b) A claimant, estate, or trust may not carry forward the tax credit allowed by~~  
1280 ~~Subsection (1)(a)(iii).]~~

1281 (6) (a) The commission shall provide a worksheet for a claimant, estate, or trust to  
1282 calculate the tax credits available under this section.

1283 (b) A claimant, estate, or trust shall complete the worksheet for each taxable year in  
1284 which the claimant, estate, or trust claims a tax credit under this section and retain the  
1285 completed worksheet for the same time period that a person is required to keep books and  
1286 records under Section [59-1-1406](#).

1287 ~~[(5) (c)]~~ (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking  
1288 Act, the commission may make rules ~~[for purposes of this section]~~ prescribing a certification  
1289 process for qualified organizations to ensure that amounts paid to the qualified organizations  
1290 are for basic research conducted in this state.

1291 ~~[(6) (7)]~~ (7) If a provision of Section 41, Internal Revenue Code, is modified or repealed,  
1292 the commission shall report the modification or repeal by electronic means to the ~~[Revenue and~~  
1293 ~~Taxation Interim Committee]~~ committee within 60 days after the day on which the  
1294 modification or repeal becomes effective.

1295 ~~[(7) (8)]~~ (8) (a) The ~~[Revenue and Taxation Interim Committee]~~ committee shall review  
1296 the tax credits provided for in this section on or before October 1 of the year after the year in  
1297 which the commission reports under Subsection ~~[(6) (7)]~~ (7) a modification or repeal of a  
1298 provision of Section 41, Internal Revenue Code.

1299 (b) The review described in Subsection ~~[(7)]~~ (8)(a) is in addition to the review required  
1300 by Section 59-10-137.

1301 (c) Notwithstanding Subsection ~~[(7)]~~ (8)(a), the ~~[Revenue and Taxation Interim~~  
1302 ~~Committee]~~ committee is not required to review the tax credits provided for in this section if  
1303 the only modification to a provision of Section 41, Internal Revenue Code, is the extension of  
1304 the termination date provided for in Section 41(h), Internal Revenue Code.

1305 (d) The ~~[Revenue and Taxation Interim Committee]~~ committee shall address in a  
1306 review under this section:

- 1307 (i) the cost of the tax credits provided for in this section;
- 1308 (ii) the purpose and effectiveness of the tax credits provided for in this section;
- 1309 (iii) whether the tax credits provided for in this section benefit the state; and
- 1310 (iv) whether the tax credits provided for in this section should be:
  - 1311 (A) continued;
  - 1312 (B) modified; or
  - 1313 (C) repealed.

1314 (e) If the ~~[Revenue and Taxation Interim Committee reviews the tax credits provided~~  
1315 ~~for in this section,]~~ committee conducts a review under this Subsection (8), the committee shall  
1316 issue a report of the ~~[Revenue and Taxation Interim Committee's]~~ committee's findings.

1317 Section 16. Section 59-10-1014 is amended to read:

1318 **59-10-1014. Nonrefundable renewable energy systems tax credits -- Definitions --**  
1319 **Certification -- Rulemaking authority.**

1320 (1) As used in this section:

- 1321 (a) (i) "Active solar system" means a system of equipment that is capable of:
  - 1322 (A) collecting and converting incident solar radiation into thermal, mechanical, or  
1323 electrical energy; and
  - 1324 (B) transferring a form of energy described in Subsection (1)(a)(i)(A) by a separate  
1325 apparatus to storage or to the point of use.
- 1326 (ii) "Active solar system" includes water heating, space heating or cooling, and  
1327 electrical or mechanical energy generation.
- 1328 (b) "Biomass system" means a system of apparatus and equipment for use in:
  - 1329 (i) converting material into biomass energy, as defined in Section 59-12-102; and

1330 (ii) transporting the biomass energy by separate apparatus to the point of use or storage.

1331 (c) "Direct use geothermal system" means a system of apparatus and equipment that  
1332 enables the direct use of geothermal energy to meet energy needs, including heating a building,  
1333 an industrial process, and aquaculture.

1334 (d) "Geothermal electricity" means energy that is:

1335 (i) contained in heat that continuously flows outward from the earth; and

1336 (ii) used as a sole source of energy to produce electricity.

1337 (e) "Geothermal energy" means energy generated by heat that is contained in the earth.

1338 (f) "Geothermal heat pump system" means a system of apparatus and equipment that:

1339 (i) enables the use of thermal properties contained in the earth at temperatures well  
1340 below 100 degrees Fahrenheit; and

1341 (ii) helps meet heating and cooling needs of a structure.

1342 (g) "Hydroenergy system" means a system of apparatus and equipment that is capable  
1343 of:

1344 (i) intercepting and converting kinetic water energy into electrical or mechanical  
1345 energy; and

1346 (ii) transferring this form of energy by separate apparatus to the point of use or storage.

1347 (h) "Office" means the Office of Energy Development created in Section [79-6-401](#).

1348 (i) (i) "Passive solar system" means a direct thermal system that utilizes the structure of  
1349 a building and its operable components to provide for collection, storage, and distribution of  
1350 heating or cooling during the appropriate times of the year by utilizing the climate resources  
1351 available at the site.

1352 (ii) "Passive solar system" includes those portions and components of a building that  
1353 are expressly designed and required for the collection, storage, and distribution of solar energy.

1354 (j) "Photovoltaic system" means an active solar system that generates electricity from  
1355 sunlight.

1356 (k) (i) "Principal recovery portion" means the portion of a lease payment that  
1357 constitutes the cost a person incurs in acquiring a residential energy system.

1358 (ii) "Principal recovery portion" does not include:

1359 (A) an interest charge; or

1360 (B) a maintenance expense.

1361 (l) "Residential energy system" means the following used to supply energy to or for a  
1362 residential unit:

- 1363 (i) an active solar system;
- 1364 (ii) a biomass system;
- 1365 (iii) a direct use geothermal system;
- 1366 (iv) a geothermal heat pump system;
- 1367 (v) a hydroenergy system;
- 1368 (vi) a passive solar system; or
- 1369 (vii) a wind system.

1370 (m) (i) "Residential unit" means a house, condominium, apartment, or similar dwelling  
1371 unit that:

- 1372 (A) is located in the state; and
  - 1373 (B) serves as a dwelling for a person, group of persons, or a family.
- 1374 (ii) "Residential unit" does not include property subject to a fee under:
- 1375 (A) Section 59-2-405;
  - 1376 (B) Section 59-2-405.1;
  - 1377 (C) Section 59-2-405.2;
  - 1378 (D) Section 59-2-405.3; or
  - 1379 (E) Section 72-10-110.5.

1380 (n) "Wind system" means a system of apparatus and equipment that is capable of:

- 1381 (i) intercepting and converting wind energy into mechanical or electrical energy; and
- 1382 (ii) transferring these forms of energy by a separate apparatus to the point of use or  
1383 storage.

1384 (2) A claimant, estate, or trust may claim an energy system tax credit as provided in  
1385 this section against a tax due under this chapter for a taxable year.

1386 (3) [~~For a taxable year beginning on or after January 1, 2007, a~~] A claimant, estate, or  
1387 trust may claim a nonrefundable tax credit under this section with respect to a residential unit  
1388 the claimant, estate, or trust owns or uses if:

- 1389 (a) the claimant, estate, or trust:
  - 1390 (i) purchases and completes a residential energy system to supply all or part of the  
1391 energy required for the residential unit; or

1392 (ii) participates in the financing of a residential energy system to supply all or part of  
1393 the energy required for the residential unit;

1394 (b) the residential energy system is installed on or after January 1, 2007; and

1395 (c) the claimant, estate, or trust obtains a written certification from the office in  
1396 accordance with Subsection (5).

1397 (4) (a) For a residential energy system, other than a photovoltaic system, the tax credit  
1398 described in this section is equal to the lesser of:

1399 (i) 25% of the reasonable costs, including installation costs, of each residential energy  
1400 system installed with respect to each residential unit the claimant, estate, or trust owns or uses;  
1401 and

1402 (ii) \$2,000.

1403 (b) Subject to Subsection (5)(d), for a residential energy system that is a photovoltaic  
1404 system, the tax credit described in this section is equal to the lesser of:

1405 (i) 25% of the reasonable costs, including installation costs, of each system installed  
1406 with respect to each residential unit the claimant, estate, or trust owns or uses; or

1407 (ii) (A) for a system installed on or after January 1, 2007, but on or before December  
1408 31, 2017, \$2,000;

1409 (B) for a system installed on or after January 1, 2018, but on or before December 31,  
1410 2020, \$1,600;

1411 (C) for a system installed on or after January 1, 2021, but on or before December 31,  
1412 2021, \$1,200;

1413 (D) for a system installed on or after January 1, 2022, but on or before December 31,  
1414 2022, \$800;

1415 (E) for a system installed on or after January 1, 2023, but on or before December 31,  
1416 2023, \$400; and

1417 (F) for a system installed on or after January 1, 2024, \$0.

1418 (c) (i) The office shall determine the amount of the tax credit that a claimant, estate, or  
1419 trust may claim and list that amount on the written certification that the office issues under  
1420 Subsection (5).

1421 (ii) The claimant, estate, or trust may claim the tax credit in the amount listed on the  
1422 written certification that the office issues under Subsection (5).

1423 (d) A claimant, estate, or trust may claim a tax credit under Subsection (3) for the  
1424 taxable year in which the residential energy system is installed.

1425 (e) If the amount of a tax credit listed on the written certification exceeds a claimant's,  
1426 estate's, or trust's tax liability under this chapter for a taxable year, the claimant, estate, or trust  
1427 may carry forward the amount of the tax credit exceeding the liability for a period that does not  
1428 exceed the next four taxable years.

1429 (f) A claimant, estate, or trust may claim a tax credit with respect to additional  
1430 residential energy systems or parts of residential energy systems for a subsequent taxable year  
1431 if the total amount of tax credit the claimant, estate, or trust claims does not exceed \$2,000 per  
1432 residential unit.

1433 (g) (i) Subject to Subsections (4)(g)(ii) and (iii), a claimant, estate, or trust that leases a  
1434 residential energy system installed on a residential unit may claim a tax credit under Subsection  
1435 (3) if the claimant, estate, or trust confirms that the lessor irrevocably elects not to claim the tax  
1436 credit.

1437 (ii) A claimant, estate, or trust described in Subsection (4)(g)(i) that leases a residential  
1438 energy system may claim as a tax credit under Subsection (3) only the principal recovery  
1439 portion of the lease payments.

1440 (iii) A claimant, estate, or trust described in Subsection (4)(g)(i) that leases a  
1441 residential energy system may claim a tax credit under Subsection (3) for a period that does not  
1442 exceed seven taxable years after the date the lease begins, as stated in the lease agreement.

1443 (h) If a claimant, estate, or trust sells a residential unit to another person before the  
1444 claimant, estate, or trust claims the tax credit under Subsection (3):

1445 (i) the claimant, estate, or trust may assign the tax credit to the other person; and

1446 (ii) (A) if the other person files a return under Chapter 7, Corporate Franchise and  
1447 Income Taxes, the other person may claim the tax credit as if the other person had met the  
1448 requirements of Section 59-7-614 to claim the tax credit; or

1449 (B) if the other person files a return under this chapter, the other person may claim the  
1450 tax credit under this section as if the other person had met the requirements of this section to  
1451 claim the tax credit.

1452 (5) (a) Before a claimant, estate, or trust may claim a tax credit under this section, the  
1453 claimant, estate, or trust shall obtain a written certification from the office.



1454 (b) The office shall issue a claimant, estate, or trust a written certification if the office  
1455 determines that:

1456 (i) the claimant, estate, or trust meets the requirements of this section to receive a tax  
1457 credit; and

1458 (ii) the office determines that the residential energy system with respect to which the  
1459 claimant, estate, or trust seeks to claim a tax credit:

1460 (A) has been completely installed;

1461 (B) is a viable system for saving or producing energy from renewable resources; and

1462 (C) is safe, reliable, efficient, and technically feasible to ensure that the residential  
1463 energy system uses the state's renewable and nonrenewable energy resources in an appropriate  
1464 and economic manner.

1465 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
1466 office may make rules:

1467 (i) for determining whether a residential energy system meets the requirements of  
1468 Subsection (5)(b)(ii); and

1469 (ii) for purposes of determining the amount of a tax credit that a claimant, estate, or  
1470 trust may receive under Subsection (4), establishing the reasonable costs of a residential energy  
1471 system, as an amount per unit of energy production.

1472 (d) A claimant, estate, or trust that obtains a written certification from the office shall  
1473 retain the certification for the same time period a person is required to keep books and records  
1474 under Section [59-1-1406](#).

1475 (e) The office shall submit to the commission an electronic list that includes:

1476 (i) the name and identifying information of each claimant, estate, or trust to which the  
1477 office issues a written certification; and

1478 (ii) for each claimant, estate, or trust:

1479 (A) the amount of the tax credit listed on the written certification; and

1480 (B) the date the renewable energy system was installed.

1481 (6) A tax credit under this section is in addition to any tax credits provided under the  
1482 laws or rules and regulations of the United States.

1483 ~~[(7) A purchaser of one or more solar units that claims a tax credit under Section~~  
1484 ~~[59-10-1024](#) for the purchase of the one or more solar units may not claim a tax credit under this~~

1485 ~~section for that purchase.]~~

1486 Section 17. Section **59-10-1106** is amended to read:

1487 **59-10-1106. Refundable renewable energy systems tax credits -- Definitions --**  
1488 **Certification -- Rulemaking authority.**

1489 (1) As used in this section:

1490 (a) "Active solar system" means the same as that term is defined in Section  
1491 [59-10-1014](#).

1492 (b) "Biomass system" means the same as that term is defined in Section [59-10-1014](#).

1493 (c) "Commercial energy system" means the same as that term is defined in Section  
1494 [59-7-614](#).

1495 (d) "Commercial enterprise" means the same as that term is defined in Section  
1496 [59-7-614](#).

1497 (e) "Commercial unit" means the same as that term is defined in Section [59-7-614](#).

1498 (f) "Direct use geothermal system" means the same as that term is defined in Section  
1499 [59-10-1014](#).

1500 (g) "Geothermal electricity" means the same as that term is defined in Section  
1501 [59-10-1014](#).

1502 (h) "Geothermal energy" means the same as that term is defined in Section [59-10-1014](#).

1503 (i) "Geothermal heat pump system" means the same as that term is defined in Section  
1504 [59-10-1014](#).

1505 (j) "Hydroenergy system" means the same as that term is defined in Section  
1506 [59-10-1014](#).

1507 (k) "Hydrogen production system" means the same as that term is defined in Section  
1508 [59-7-614](#).

1509 (l) "Office" means the Office of Energy Development created in Section [79-6-401](#).

1510 (m) "Passive solar system" means the same as that term is defined in Section  
1511 [59-10-1014](#).

1512 (n) "Principal recovery portion" means the same as that term is defined in Section  
1513 [59-10-1014](#).

1514 (o) "Wind system" means the same as that term is defined in Section [59-10-1014](#).

1515 (2) A claimant, estate, or trust may claim an energy system tax credit as provided in

1516 this section against a tax due under this chapter for a taxable year.

1517 (3) (a) Subject to the other provisions of this Subsection (3), a claimant, estate, or trust  
1518 may claim a refundable tax credit under this Subsection (3) with respect to a commercial  
1519 energy system if:

1520 (i) the commercial energy system does not use:

1521 (A) wind, geothermal electricity, solar, or biomass equipment capable of producing a  
1522 total of 660 or more kilowatts of electricity; or

1523 (B) solar equipment capable of producing 2,000 or more kilowatts of electricity;

1524 (ii) the claimant, estate, or trust purchases or participates in the financing of the  
1525 commercial energy system;

1526 (iii) (A) the commercial energy system supplies all or part of the energy required by  
1527 commercial units owned or used by the claimant, estate, or trust; or

1528 (B) the claimant, estate, or trust sells all or part of the energy produced by the  
1529 commercial energy system as a commercial enterprise;

1530 (iv) the claimant, estate, or trust has not claimed and will not claim a tax credit under  
1531 Subsection (6) for hydrogen production using electricity for which the claimant, estate, or trust  
1532 claims a tax credit under this Subsection (3); and

1533 (v) the claimant, estate, or trust obtains a written certification from the office in  
1534 accordance with Subsection (7).

1535 (b) (i) Subject to Subsections (3)(b)(ii) through (iv), the tax credit is equal to ~~[10]~~ 5%  
1536 of the reasonable costs of the commercial energy system.

1537 (ii) A tax credit under this Subsection (3) may include installation costs.

1538 (iii) A claimant, estate, or trust is eligible to claim a tax credit under this Subsection (3)  
1539 for the taxable year in which the commercial energy system is completed and placed in service.

1540 (iv) The total amount of tax credit a claimant, estate, or trust may claim under this  
1541 Subsection (3) may not exceed ~~[\$50,000]~~ \$25,000 per commercial unit.

1542 (c) (i) Subject to Subsections (3)(c)(ii) and (iii), a claimant, estate, or trust that is a  
1543 lessee of a commercial energy system installed on a commercial unit may claim a tax credit  
1544 under this Subsection (3) if the claimant, estate, or trust confirms that the lessor irrevocably  
1545 elects not to claim the tax credit.

1546 (ii) A claimant, estate, or trust described in Subsection (3)(c)(i) may claim as a tax

1547 credit under this Subsection (3) only the principal recovery portion of the lease payments.

1548 (iii) A claimant, estate, or trust described in Subsection (3)(c)(i) may claim a tax credit  
1549 under this Subsection (3) for a period that does not exceed seven taxable years after the day on  
1550 which the lease begins, as stated in the lease agreement.

1551 (4) (a) Subject to the other provisions of this Subsection (4), a claimant, estate, or trust  
1552 may claim a refundable tax credit under this Subsection (4) with respect to a commercial  
1553 energy system if:

1554 (i) the commercial energy system uses wind, geothermal electricity, or biomass  
1555 equipment capable of producing a total of 660 or more kilowatts of electricity;

1556 (ii) (A) the commercial energy system supplies all or part of the energy required by  
1557 commercial units owned or used by the claimant, estate, or trust; or

1558 (B) the claimant, estate, or trust sells all or part of the energy produced by the  
1559 commercial energy system as a commercial enterprise;

1560 (iii) the claimant, estate, or trust has not claimed and will not claim a tax credit under  
1561 Subsection (6) for hydrogen production using electricity for which the claimant, estate, or trust  
1562 claims a tax credit under this Subsection (4); and

1563 (iv) the claimant, estate, or trust obtains a written certification from the office in  
1564 accordance with Subsection (7).

1565 (b) (i) Subject to Subsection (4)(b)(ii), a tax credit under this Subsection (4) is equal to  
1566 the product of:

1567 (A) [~~0.35 cents~~] \$0.175; and

1568 (B) the kilowatt hours of electricity produced and used or sold during the taxable year.

1569 (ii) A claimant, estate, or trust is eligible to claim a tax credit under this Subsection (4)  
1570 for production occurring during a period of 48 months beginning with the month in which the  
1571 commercial energy system is placed in commercial service.

1572 (c) A claimant, estate, or trust that is a lessee of a commercial energy system installed  
1573 on a commercial unit may claim a tax credit under this Subsection (4) if the claimant, estate, or  
1574 trust confirms that the lessor irrevocably elects not to claim the tax credit.

1575 (5) (a) Subject to the other provisions of this Subsection (5), a claimant, estate, or trust  
1576 may claim a refundable tax credit as provided in this Subsection (5) if:

1577 (i) the claimant, estate, or trust owns a commercial energy system that uses solar

1578 equipment capable of producing a total of 660 or more kilowatts of electricity;

1579       (ii) (A) the commercial energy system supplies all or part of the energy required by

1580 commercial units owned or used by the claimant, estate, or trust; or

1581       (B) the claimant, estate, or trust sells all or part of the energy produced by the

1582 commercial energy system as a commercial enterprise;

1583       (iii) the claimant, estate, or trust does not claim a tax credit under Subsection (3);

1584       (iv) the claimant, estate, or trust has not claimed and will not claim a tax credit under

1585 Subsection (6) for hydrogen production using electricity for which a taxpayer claims a tax

1586 credit under this Subsection (5); and

1587       (v) the claimant, estate, or trust obtains a written certification from the office in

1588 accordance with Subsection (7).

1589       (b) (i) Subject to Subsection (5)(b)(ii), a tax credit under this Subsection (5) is equal to

1590 the product of:

1591       (A) [~~0.35 cents~~] \$0.175; and

1592       (B) the kilowatt hours of electricity produced and used or sold during the taxable year.

1593       (ii) A claimant, estate, or trust is eligible to claim a tax credit under this Subsection (5)

1594 for production occurring during a period of 48 months beginning with the month in which the

1595 commercial energy system is placed in commercial service.

1596       (c) A claimant, estate, or trust that is a lessee of a commercial energy system installed

1597 on a commercial unit may claim a tax credit under this Subsection (5) if the claimant, estate, or

1598 trust confirms that the lessor irrevocably elects not to claim the tax credit.

1599       (6) (a) A claimant, estate, or trust may claim a refundable tax credit as provided in this

1600 Subsection (6) if:

1601       (i) the claimant, estate, or trust owns a hydrogen production system;

1602       (ii) the hydrogen production system is completed and placed in service on or after

1603 January 1, 2022;

1604       (iii) the claimant, estate, or trust sells as a commercial enterprise, or supplies for the

1605 claimant's, estate's, or trust's own use in commercial units, the hydrogen produced from the

1606 hydrogen production system;

1607       (iv) the claimant, estate, or trust has not claimed and will not claim a tax credit under

1608 Subsection (3), (4), or (5) for electricity used to meet the requirements of this Subsection (6);

1609 and

1610 (v) the claimant, estate, or trust obtains a written certification from the office in  
1611 accordance with Subsection (7).

1612 (b) (i) Subject to Subsections (6)(b)(ii) and (iii), a tax credit under this Subsection (6)  
1613 is equal to the product of:

1614 (A) \$0.12; and

1615 (B) the number of kilograms of hydrogen produced during the taxable year.

1616 (ii) A claimant, estate, or trust may not receive a tax credit under this Subsection (6) for  
1617 more than 5,600 metric tons of hydrogen per taxable year.

1618 (iii) A claimant, estate, or trust is eligible to claim a tax credit under this Subsection (6)  
1619 for production occurring during a period of 48 months beginning with the month in which the  
1620 hydrogen production system is placed in commercial service.

1621 (7) (a) Before a claimant, estate, or trust may claim a tax credit under this section, the  
1622 claimant, estate, or trust shall obtain a written certification from the office.

1623 (b) The office shall issue a claimant, estate, or trust a written certification if the office  
1624 determines that:

1625 (i) the claimant, estate, or trust meets the requirements of this section to receive a tax  
1626 credit; and

1627 (ii) the commercial energy system or the hydrogen production system with respect to  
1628 which the claimant, estate, or trust seeks to claim a tax credit:

1629 (A) has been completely installed;

1630 (B) is a viable system for saving or producing energy from renewable resources; and

1631 (C) is safe, reliable, efficient, and technically feasible to ensure that the commercial  
1632 energy system or the hydrogen production system uses the state's renewable and nonrenewable  
1633 resources in an appropriate and economic manner.

1634 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
1635 office may make rules:

1636 (i) for determining whether a commercial energy system or a hydrogen production  
1637 system meets the requirements of Subsection (7)(b)(ii); and

1638 (ii) for purposes of a tax credit under Subsection (3), establishing the reasonable costs  
1639 of a commercial energy system, as an amount per unit of energy production.

1640 (d) A claimant, estate, or trust that obtains a written certification from the office shall  
1641 retain the certification for the same time period a person is required to keep books and records  
1642 under Section 59-1-1406.

1643 (e) The office shall submit to the commission an electronic list that includes:

1644 (i) the name and identifying information of each claimant, estate, or trust to which the  
1645 office issues a written certification; and

1646 (ii) for each claimant, estate, or trust:

1647 (A) the amount of the tax credit listed on the written certification; and

1648 (B) the date the commercial energy system or the hydrogen production system was  
1649 installed.

1650 (8) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
1651 commission may make rules to address the certification of a tax credit under this section.

1652 (9) A tax credit under this section is in addition to any tax credits provided under the  
1653 laws or rules and regulations of the United States.

1654 ~~[(10) A purchaser of one or more solar units that claims a tax credit under Section~~  
1655 ~~59-10-1024 for the purchase of the one or more solar units may not claim a tax credit under this~~  
1656 ~~section for that purchase.]~~

1657 Section 18. Section 59-10-1107 is amended to read:

1658 **59-10-1107. Refundable economic development tax credit.**

1659 (1) As used in this section:

1660 (a) "Business entity" means a claimant, estate, or trust that meets the definition of  
1661 "business entity" as defined in Section 63N-2-103.

1662 (b) "Incremental job" means the same as that term is defined in Section 63N-1a-102.

1663 (c) "New state revenue" means the same as that term is defined in Section 63N-1a-102.

1664 (d) "Office" means the Governor's Office of Economic Opportunity.

1665 (2) Subject to the other provisions of this section, a business entity may claim a  
1666 refundable tax credit for economic development.

1667 (3) The tax credit under this section is the amount listed as the tax credit amount on the  
1668 tax credit certificate that the office issues to the business entity for the taxable year.

1669 (4) (a) In accordance with any rules prescribed by the commission under Subsection  
1670 (4)(b), the commission shall make a refund to a business entity that claims a tax credit under

1671 this section if the amount of the tax credit exceeds the business entity's tax liability for a  
1672 taxable year.

1673 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
1674 commission may make rules providing procedures for making a refund to a business entity as  
1675 required by Subsection (4)(a).

1676 ~~[(5) (a) In accordance with Section 59-10-137, the Revenue and Taxation Interim  
1677 Committee shall study the tax credit allowed by this section and make recommendations  
1678 concerning whether the tax credit should be continued, modified, or repealed.]~~

1679 ~~[(b) Except as provided in Subsection (5)(c), for purposes of the study required by this  
1680 Subsection (5), the office shall provide the following information, if available to the office, to  
1681 the Revenue and Taxation Interim Committee by electronic means:]~~

1682 ~~[(i) the amount of tax credit the office grants to each taxpayer for each calendar year;]~~

1683 ~~[(ii) the criteria the office uses in granting a tax credit;]~~

1684 ~~[(iii) the new state revenue generated by each taxpayer for each calendar year;]~~

1685 ~~[(iv) estimates for each of the next three calendar years of the following:]~~

1686 ~~[(A) the amount of tax credits that the office will grant;]~~

1687 ~~[(B) the amount of new state revenue that will be generated; and]~~

1688 ~~[(C) the number of new incremental jobs within the state that will be generated;]~~

1689 ~~[(v) the information contained in the office's latest report under Section 63N-2-106;~~

1690 ~~and]~~

1691 ~~[(vi) any other information that the Revenue and Taxation Interim Committee  
1692 requests.]~~

1693 ~~[(c) (i) In providing the information described in Subsection (5)(b), the office shall  
1694 redact information that identifies a recipient of a tax credit under this section.]~~

1695 ~~[(ii) If, notwithstanding the redactions made under Subsection (5)(c)(i), reporting the  
1696 information described in Subsection (5)(b) might disclose the identity of a recipient of a tax  
1697 credit, the office may file a request with the Revenue and Taxation Interim Committee to  
1698 provide the information described in Subsection (5)(b) in the aggregate for all taxpayers that  
1699 receive the tax credit under this section.]~~

1700 ~~[(d) The Revenue and Taxation Interim Committee shall ensure that the  
1701 recommendations described in Subsection (5)(a) include an evaluation of:]~~



1702 [~~(i) the cost of the tax credit to the state;~~]  
1703 [~~(ii) the purpose and effectiveness of the tax credit, and~~]  
1704 [~~(iii) the extent to which the state benefits from the tax credit.~~]

1705 Section 19. Section **59-10-1112** is amended to read:

1706 **59-10-1112. Targeted business income tax credit.**

1707 (1) As used in this section, "business applicant" means the same as that term is defined  
1708 in Section [63N-2-302](#).

1709 (2) A business applicant that is certified and issued a targeted business income tax  
1710 eligibility certificate by the Governor's Office of Economic Opportunity under Section  
1711 [63N-2-304](#) may claim a refundable tax credit in the amount specified on the targeted business  
1712 income tax eligibility certificate.

1713 (3) For a taxable year for which a business applicant claims a targeted business income  
1714 tax credit under this section, the business applicant may not claim or carry forward a tax credit  
1715 under [~~Section [59-7-610](#), Section [59-10-1007](#), or~~] Title 63N, Chapter 2, Part 2, Enterprise Zone  
1716 Act.

1717 Section 20. Section **63J-1-602.1** is amended to read:

1718 **63J-1-602.1. List of nonlapsing appropriations from accounts and funds.**

1719 Appropriations made from the following accounts or funds are nonlapsing:

1720 (1) The Utah Intracurricular Student Organization Support for Agricultural Education  
1721 and Leadership Restricted Account created in Section [4-42-102](#).

1722 (2) The Native American Repatriation Restricted Account created in Section [9-9-407](#).

1723 (3) The Martin Luther King, Jr. Civil Rights Support Restricted Account created in  
1724 Section [9-18-102](#).

1725 (4) The National Professional Men's Soccer Team Support of Building Communities  
1726 Restricted Account created in Section [9-19-102](#).

1727 (5) Funds collected for directing and administering the C-PACE district created in  
1728 Section [11-42a-106](#).

1729 (6) Money received by the Utah Inland Port Authority, as provided in Section  
1730 [11-58-105](#).

1731 (7) The "Latino Community Support Restricted Account" created in Section [13-1-16](#).

1732 (8) The Clean Air Support Restricted Account created in Section [19-1-109](#).

- 1733 (9) The Division of Air Quality Oil, Gas, and Mining Restricted Account created in  
1734 Section [19-2a-106](#).
- 1735 (10) The Division of Water Quality Oil, Gas, and Mining Restricted Account created in  
1736 Section [19-5-126](#).
- 1737 (11) The "Support for State-Owned Shooting Ranges Restricted Account" created in  
1738 Section [23-14-13.5](#).
- 1739 (12) Award money under the State Asset Forfeiture Grant Program, as provided under  
1740 Section [24-4-117](#).
- 1741 (13) Funds collected from the program fund for local health department expenses  
1742 incurred in responding to a local health emergency under Section [26-1-38](#).
- 1743 (14) The Children with Cancer Support Restricted Account created in Section  
1744 [26-21a-304](#).
- 1745 (15) State funds for matching federal funds in the Children's Health Insurance Program  
1746 as provided in Section [26-40-108](#).
- 1747 (16) The Children with Heart Disease Support Restricted Account created in Section  
1748 [26-58-102](#).
- 1749 (17) The Nurse Home Visiting Restricted Account created in Section [26-63-601](#).
- 1750 (18) The Technology Development Restricted Account created in Section [31A-3-104](#).
- 1751 (19) The Criminal Background Check Restricted Account created in Section  
1752 [31A-3-105](#).
- 1753 (20) The Captive Insurance Restricted Account created in Section [31A-3-304](#), except  
1754 to the extent that Section [31A-3-304](#) makes the money received under that section free revenue.
- 1755 (21) The Title Licensee Enforcement Restricted Account created in Section  
1756 [31A-23a-415](#).
- 1757 (22) The Health Insurance Actuarial Review Restricted Account created in Section  
1758 [31A-30-115](#).
- 1759 (23) The Insurance Fraud Investigation Restricted Account created in Section  
1760 [31A-31-108](#).
- 1761 (24) The Underage Drinking Prevention Media and Education Campaign Restricted  
1762 Account created in Section [32B-2-306](#).
- 1763 (25) The School Readiness Restricted Account created in Section [35A-15-203](#).

- 1764 (26) Money received by the Utah State Office of Rehabilitation for the sale of certain  
1765 products or services, as provided in Section [35A-13-202](#).
- 1766 (27) The Oil and Gas Administrative Penalties Account created in Section [40-6-11](#).  
1767 (28) The Oil and Gas Conservation Account created in Section [40-6-14.5](#).
- 1768 (29) The Division of Oil, Gas, and Mining Restricted account created in Section  
1769 [40-6-23](#).
- 1770 (30) The Electronic Payment Fee Restricted Account created by Section [41-1a-121](#) to  
1771 the Motor Vehicle Division.
- 1772 (31) The Motor Vehicle Enforcement Division Temporary Permit Restricted Account  
1773 created by Section [41-3-110](#) to the State Tax Commission.
- 1774 (32) The Utah Law Enforcement Memorial Support Restricted Account created in  
1775 Section [53-1-120](#).
- 1776 (33) The State Disaster Recovery Restricted Account to the Division of Emergency  
1777 Management, as provided in Section [53-2a-603](#).
- 1778 (34) The Department of Public Safety Restricted Account to the Department of Public  
1779 Safety, as provided in Section [53-3-106](#).
- 1780 (35) The Utah Highway Patrol Aero Bureau Restricted Account created in Section  
1781 [53-8-303](#).
- 1782 (36) The DNA Specimen Restricted Account created in Section [53-10-407](#).
- 1783 (37) The Canine Body Armor Restricted Account created in Section [53-16-201](#).
- 1784 (38) The Technical Colleges Capital Projects Fund created in Section [53B-2a-118](#).
- 1785 (39) The Higher Education Capital Projects Fund created in Section [53B-22-202](#).
- 1786 (40) A certain portion of money collected for administrative costs under the School  
1787 Institutional Trust Lands Management Act, as provided under Section [53C-3-202](#).
- 1788 (41) The Public Utility Regulatory Restricted Account created in Section [54-5-1.5](#),  
1789 subject to Subsection [54-5-1.5\(4\)\(d\)](#).
- 1790 (42) Funds collected from a surcharge fee to provide certain licensees with access to an  
1791 electronic reference library, as provided in Section [58-3a-105](#).
- 1792 (43) Certain fines collected by the Division of Occupational and Professional Licensing  
1793 for violation of unlawful or unprofessional conduct that are used for education and enforcement  
1794 purposes, as provided in Section [58-17b-505](#).

1795 (44) Funds collected from a surcharge fee to provide certain licensees with access to an  
1796 electronic reference library, as provided in Section [58-22-104](#).

1797 (45) Funds collected from a surcharge fee to provide certain licensees with access to an  
1798 electronic reference library, as provided in Section [58-55-106](#).

1799 (46) Funds collected from a surcharge fee to provide certain licensees with access to an  
1800 electronic reference library, as provided in Section [58-56-3.5](#).

1801 (47) Certain fines collected by the Division of Occupational and Professional Licensing  
1802 for use in education and enforcement of the Security Personnel Licensing Act, as provided in  
1803 Section [58-63-103](#).

1804 (48) The Relative Value Study Restricted Account created in Section [59-9-105](#).

1805 (49) The Cigarette Tax Restricted Account created in Section [59-14-204](#).

1806 (50) Funds paid to the Division of Real Estate for the cost of a criminal background  
1807 check for a mortgage loan license, as provided in Section [61-2c-202](#).

1808 (51) Funds paid to the Division of Real Estate for the cost of a criminal background  
1809 check for principal broker, associate broker, and sales agent licenses, as provided in Section  
1810 [61-2f-204](#).

1811 (52) Certain funds donated to the Department of Human Services, as provided in  
1812 Section [62A-1-111](#).

1813 (53) The National Professional Men's Basketball Team Support of Women and  
1814 Children Issues Restricted Account created in Section [62A-1-202](#).

1815 (54) Certain funds donated to the Division of Child and Family Services, as provided  
1816 in Section [62A-4a-110](#).

1817 (55) The Choose Life Adoption Support Restricted Account created in Section  
1818 [62A-4a-608](#).

1819 (56) Funds collected by the Office of Administrative Rules for publishing, as provided  
1820 in Section [63G-3-402](#).

1821 (57) The Immigration Act Restricted Account created in Section [63G-12-103](#).

1822 (58) Money received by the military installation development authority, as provided in  
1823 Section [63H-1-504](#).

1824 (59) The Computer Aided Dispatch Restricted Account created in Section [63H-7a-303](#).

1825 (60) The Unified Statewide 911 Emergency Service Account created in Section

- 1826 [63H-7a-304](#).
- 1827 (61) The Utah Statewide Radio System Restricted Account created in Section
- 1828 [63H-7a-403](#).
- 1829 (62) The Utah Capital Investment Restricted Account created in Section [63N-6-204](#).
- 1830 [~~(63)~~] ~~The Motion Picture Incentive Account created in Section [63N-8-103](#).~~
- 1831 [~~(64)~~] [\(63\)](#) Certain money payable for expenses of the Pete Suazo Utah Athletic
- 1832 Commission, as provided under Section [63N-10-301](#).
- 1833 [~~(65)~~] [\(64\)](#) Funds collected by the housing of state probationary inmates or state parole
- 1834 inmates, as provided in Subsection [64-13e-104\(2\)](#).
- 1835 [~~(66)~~] [\(65\)](#) Certain forestry and fire control funds utilized by the Division of Forestry,
- 1836 Fire, and State Lands, as provided in Section [65A-8-103](#).
- 1837 [~~(67)~~] [\(66\)](#) The Transportation of Veterans to Memorials Support Restricted Account
- 1838 created in Section [71-14-102](#).
- 1839 [~~(68)~~] [\(67\)](#) The Amusement Ride Safety Restricted Account, as provided in Section
- 1840 [72-16-204](#).
- 1841 [~~(69)~~] [\(68\)](#) Certain funds received by the Office of the State Engineer for well drilling
- 1842 fines or bonds, as provided in Section [73-3-25](#).
- 1843 [~~(70)~~] [\(69\)](#) The Water Resources Conservation and Development Fund, as provided in
- 1844 Section [73-23-2](#).
- 1845 [~~(71)~~] [\(70\)](#) Funds donated or paid to a juvenile court by private sources, as provided in
- 1846 Subsection [78A-6-203\(1\)\(c\)](#).
- 1847 [~~(72)~~] [\(71\)](#) Fees for certificate of admission created under Section [78A-9-102](#).
- 1848 [~~(73)~~] [\(72\)](#) Funds collected for adoption document access as provided in Sections
- 1849 [78B-6-141](#), [78B-6-144](#), and [78B-6-144.5](#).
- 1850 [~~(74)~~] [\(73\)](#) Funds collected for indigent defense as provided in Title 78B, Chapter 22,
- 1851 Part 4, Utah Indigent Defense Commission.
- 1852 [~~(75)~~] [\(74\)](#) The Utah Geological Survey Oil, Gas, and Mining Restricted Account
- 1853 created in Section [79-3-403](#).
- 1854 [~~(76)~~] [\(75\)](#) Revenue for golf user fees at the Wasatch Mountain State Park, Palisades
- 1855 State Park, and Green River State Park, as provided under Section [79-4-403](#).
- 1856 [~~(77)~~] [\(76\)](#) Certain funds received by the Division of State Parks from the sale or

1857 disposal of buffalo, as provided under Section 79-4-1001.

1858 [~~78~~] (77) The Drinking While Pregnant Prevention Media and Education Campaign  
1859 Restricted Account created in Section 32B-2-308.

1860 Section 21. Section 63N-2-104 is amended to read:

1861 **63N-2-104. Creation of economic development zones -- Tax credits -- Assignment**  
1862 **of tax credit.**

1863 (1) The office may create an economic development zone in the state if the following  
1864 requirements are satisfied:

1865 (a) the area is zoned agricultural, commercial, industrial, manufacturing, business park,  
1866 research park, or other appropriate business related use in a community-approved master plan  
1867 that contemplates future growth;

1868 (b) the request to create a development zone has first been approved by an appropriate  
1869 local government entity; and

1870 (c) local incentives have been or will be committed to be provided within the area in  
1871 accordance with the community's approved incentive policy and application process.

1872 (2) (a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
1873 the office shall make rules establishing the requirements for a business entity or local  
1874 government entity to qualify for a tax credit for a new commercial project in a development  
1875 zone under this part.

1876 (b) The office shall ensure that the requirements described in Subsection (2)(a) include  
1877 the following:

1878 (i) the new commercial project is within the development zone;

1879 (ii) the new commercial project includes direct investment within the geographic  
1880 boundaries of the development zone;

1881 (iii) the new commercial project brings new incremental jobs to Utah;

1882 (iv) the new commercial project includes the creation of high paying jobs in the state,  
1883 significant capital investment in the state, or significant purchases from vendors, contractors, or  
1884 service providers in the state, or a combination of these three economic factors;

1885 (v) the new commercial project generates new state revenues;

1886 (vi) a business entity, a local government entity, or a community reinvestment agency  
1887 to which a local government entity assigns a tax credit under this section meets the

1888 requirements of Section 63N-2-105; and

1889 (vii) unless otherwise advisable in light of economic circumstances, the new  
1890 commercial project relates to the industry clusters identified by the commission under Section  
1891 63N-1a-202.

1892 (3) (a) [~~The~~] Except as provided in Subsection (3)(e), the office, after consultation with  
1893 the GO Utah board, may enter into a written agreement with a business entity or local  
1894 government entity authorizing a tax credit to the business entity or local government entity if  
1895 the business entity or local government entity meets the requirements described in this section.

1896 (b) (i) With respect to a new commercial project, the office may authorize a tax credit  
1897 to a business entity or a local government entity, but not both.

1898 (ii) In determining whether to authorize a tax credit with respect to a new commercial  
1899 project to a business entity or a local government entity, the office shall authorize the tax credit  
1900 in a manner that the office determines will result in providing the most effective incentive for  
1901 the new commercial project.

1902 (c) (i) Except as provided in Subsection (3)(c)(ii)(A), for a new commercial project that  
1903 is located within the boundary of a county of the first or second class, the office may not  
1904 authorize or commit to authorize a tax credit that exceeds:

1905 (A) 50% of the new state revenues from the new commercial project in any given year;  
1906 or

1907 (B) 30% of the new state revenues from the new commercial project over the lesser of  
1908 the life of a new commercial project or 20 years.

1909 (ii) If the office authorizes or commits to authorize a tax credit for a new commercial  
1910 project located within the boundary of:

1911 (A) a municipality with a population of 10,000 or less located within a county of the  
1912 second class and that is experiencing economic hardship as determined by the office, the office  
1913 shall authorize a tax credit of up to 50% of new state revenues from the new commercial  
1914 project over the lesser of the life of the new commercial project or 20 years;

1915 (B) a county of the third class, the office shall authorize a tax credit of up to 50% of  
1916 new state revenues from the new commercial project over the lesser of the life of the new  
1917 commercial project or 20 years; and

1918 (C) a county of the fourth, fifth, or sixth class, the office shall authorize a tax credit of

1919 50% of new state revenues from the new commercial project over the lesser of the life of the  
1920 new commercial project or 20 years.

1921 (iii) Notwithstanding any other provisions of this section, the office may not authorize  
1922 a tax credit under this section for a new commercial project:

1923 (A) to a business entity that has claimed a High Cost Infrastructure Development Tax  
1924 Credit described in Section 79-6-603 related to the same new commercial project; or

1925 (B) in an amount more than the amount of the capital investment in the new  
1926 commercial project.

1927 (d) (i) A local government entity may by resolution assign a tax credit authorized by  
1928 the office to a community reinvestment agency.

1929 (ii) The local government entity shall provide a copy of the resolution described in  
1930 Subsection (3)(d)(i) to the office.

1931 (iii) If a local government entity assigns a tax credit to a community reinvestment  
1932 agency, the written agreement described in Subsection (3)(a) shall:

1933 (A) be between the office, the local government entity, and the community  
1934 reinvestment agency;

1935 (B) establish the obligations of the local government entity and the community  
1936 reinvestment agency; and

1937 (C) establish the extent to which any of the local government entity's obligations are  
1938 transferred to the community reinvestment agency.

1939 (iv) If a local government entity assigns a tax credit to a community reinvestment  
1940 agency:

1941 (A) the community reinvestment agency shall retain records as described in Subsection  
1942 (4)(d); and

1943 (B) a tax credit certificate issued in accordance with Section 63N-2-105 shall list the  
1944 community reinvestment agency as the named applicant.

1945 (e) On or after July 1, 2022, the office may not:

1946 (i) enter into a new written agreement under Subsection (3)(a); or

1947 (ii) modify an existing written agreement described in Subsection (3)(a) to increase the  
1948 maximum amount of the tax credit a business entity or local government agency may claim or  
1949 to extend the length of time a business entity or local government agency may claim the credit.



- 1950 (4) The office shall ensure that the written agreement described in Subsection (3):  
1951 (a) specifies the requirements that the business entity or local government entity shall  
1952 meet to qualify for a tax credit under this part;  
1953 (b) specifies the maximum amount of tax credit that the business entity or local  
1954 government entity may be authorized for a taxable year and over the life of the new commercial  
1955 project;  
1956 (c) establishes the length of time the business entity or local government entity may  
1957 claim a tax credit;  
1958 (d) requires the business entity or local government entity to retain records supporting a  
1959 claim for a tax credit for at least four years after the business entity or local government entity  
1960 claims a tax credit under this part; and  
1961 (e) requires the business entity or local government entity to submit to audits for  
1962 verification of the tax credit claimed.

1963 (5) The office may attribute an incremental job or a high paying job to a new  
1964 commercial project regardless of whether the job is performed in person, within the  
1965 development zone or remotely from elsewhere in the state.

1966 Section 22. Section **63N-2-106** is amended to read:

1967 **63N-2-106. Reports -- Posting monthly and annual reports.**

- 1968 (1) The office shall include the following information in the annual written report  
1969 described in Section [63N-1a-306](#):  
1970 (a) the office's success in attracting new commercial projects to development zones  
1971 under this part and the corresponding increase in new incremental jobs;  
1972 (b) how many new incremental jobs and high paying jobs are employees of a company  
1973 that received tax credits under this part, including the number of employees who work for a  
1974 third-party rather than directly for a company, receiving the tax credits under this part;  
1975 (c) the estimated amount of tax credit commitments made by the office and the period  
1976 of time over which tax credits will be paid;  
1977 (d) the economic impact on the state from new state revenues and the provision of tax  
1978 credits under this part;  
1979 (e) the estimated costs and economic benefits of the tax credit commitments made by  
1980 the office;

- 1981 (f) the actual costs and economic benefits of the tax credit commitments made by the  
 1982 office; and
- 1983 (g) tax credit commitments made by the office, with the associated calculation.
- 1984 (2) Each month, the office shall post on ~~[its]~~ the office's website and on a state website:
- 1985 (a) the new tax credit commitments made by the office during the previous month; and
- 1986 (b) the estimated costs and economic benefits of those tax credit commitments.
- 1987 ~~[(3) (a) On or before November 1, 2014, and every three years after November 1, 2014,~~  
 1988 ~~the office shall:]~~
- 1989 ~~[(i) conduct an audit of the tax credits allowed under Section 63N-2-105;]~~
- 1990 ~~[(ii) study the tax credits allowed under Section 63N-2-105; and]~~
- 1991 ~~[(iii) make recommendations concerning whether the tax credits should be continued,~~  
 1992 ~~modified, or repealed.]~~
- 1993 ~~[(b) The audit shall include an evaluation of:]~~
- 1994 ~~[(i) the cost of the tax credits;]~~
- 1995 ~~[(ii) the purposes and effectiveness of the tax credits;]~~
- 1996 ~~[(iii) the extent to which the state benefits from the tax credits; and]~~
- 1997 ~~[(iv) the state's return on investment under this part measured by new state revenues,~~  
 1998 ~~compared with the costs of tax credits provided and GOED's expenses in administering this~~  
 1999 ~~part.]~~
- 2000 ~~[(c) The office shall provide the results of the audit described in this Subsection (3):]~~
- 2001 ~~[(i) in the written annual report described in Subsection (1); and]~~
- 2002 ~~[(ii) as part of the reviews described in Sections 59-7-159 and 59-10-137.]~~
- 2003 Section 23. Section 63N-2-213 is amended to read:
- 2004 **63N-2-213. State tax credits.**
- 2005 (1) The office shall certify a business entity's eligibility for a tax credit described in this  
 2006 section.
- 2007 (2) A business entity seeking to receive a tax credit as provided in this section shall  
 2008 provide the office with:
- 2009 (a) an application for a tax credit certificate in a form approved by the office, including  
 2010 a certification, by an officer of the business entity, of a signature on the application; and
- 2011 (b) documentation that demonstrates the business entity has met the requirements to

2012 receive the tax credit.

2013 (3) If, after review of an application and documentation provided by a business entity  
2014 as described in Subsection (2), the office determines that the application and documentation are  
2015 inadequate to provide a reasonable justification for authorizing the tax credit, the office shall:

2016 (a) deny the tax credit; or

2017 (b) inform the business entity that the application or documentation was inadequate  
2018 and ask the business entity to submit additional documentation.

2019 (4) If, after review of an application and documentation provided by a business entity  
2020 as described in Subsection (2), the office determines that the application and documentation  
2021 provide reasonable justification for authorizing a tax credit, the office shall:

2022 (a) determine the amount of the tax credit to be granted to the business entity;

2023 (b) issue a tax credit certificate to the business entity; and

2024 (c) provide a digital record of the tax credit certificate to the State Tax Commission.

2025 (5) A business entity may not claim a tax credit under this section unless the business  
2026 entity has a tax credit certificate issued by the office.

2027 (6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
2028 office shall make rules describing:

2029 (a) the form and content of an application for a tax credit under this section;

2030 (b) the documentation requirements for a business entity to receive a tax credit  
2031 certificate under this section; and

2032 (c) administration of the program, including relevant timelines and deadlines.

2033 (7) Subject to the limitations of Subsections (8) through (10), and if the requirements  
2034 of this part are met, the following nonrefundable tax credits against a tax under Title 59,  
2035 Chapter 7, Corporate Franchise and Income Taxes, or Title 59, Chapter 10, Individual Income  
2036 Tax Act, are applicable in an enterprise zone:

2037 (a) a tax credit of \$750 [~~may be claimed by a business entity~~] for each new full-time  
2038 employee position created within the enterprise zone[;] if:

2039 [~~(b) an additional \$500 tax credit may be claimed if the new full-time employee  
2040 position created within the enterprise zone pays at least 125% of:]~~

2041 [~~(i) the county average monthly nonagricultural payroll wage for the respective  
2042 industry as determined by the Department of Workforce Services; or]~~

2043 ~~[(ii) if the county average monthly nonagricultural payroll wage is not available for the~~  
2044 ~~respective industry, the total average monthly nonagricultural payroll wage in the respective~~  
2045 ~~county where the enterprise zone is located;]~~

2046 ~~[(c) an additional tax credit of \$750 may be claimed if the new full-time employee~~  
2047 ~~position created within the enterprise zone is in a business entity that adds value to agricultural~~  
2048 ~~commodities through manufacturing or processing;]~~

2049 ~~[(d) an additional tax credit of \$200 may be claimed for each new full-time employee~~  
2050 ~~position created within the enterprise zone that is filled by an employee who is insured under~~  
2051 ~~an employer-sponsored health insurance program if the employer pays at least 50% of the~~  
2052 ~~premium cost for the year for which the credit is claimed;]~~

2053 ~~[(e) a tax credit of 25% of the first \$200,000 spent on rehabilitating a building in the~~  
2054 ~~enterprise zone that has been vacant for two years or more, including that the building has had~~  
2055 ~~or contained no occupants, tenants, furniture, or personal property for two years or more, in the~~  
2056 ~~time period immediately before the rehabilitation; and]~~

2057 ~~(i) the new full-time position pays at least 125% of:~~

2058 ~~(A) the county average monthly nonagricultural payroll wage for the respective~~  
2059 ~~industry as determined by the Department of Workforce Services; or~~

2060 ~~(B) if the county average monthly nonagricultural payroll wage is not available for the~~  
2061 ~~respective industry, the total average monthly nonagricultural payroll wage in the respective~~  
2062 ~~county where the enterprise zone is located; and~~

2063 ~~(ii) (A) the new full-time position is filled by an employee who is insured under an~~  
2064 ~~employer-sponsored health insurance program; and~~

2065 ~~(B) the employer pays at least 50% of the premium cost for the year in which the credit~~  
2066 ~~is claimed; and~~

2067 ~~[(f)] (b) an annual investment tax credit [may be claimed] in an amount equal to [5]~~  
2068 ~~2.5% of the first [\$750,000] \$500,000 qualifying investment in plant, equipment, or other~~  
2069 ~~depreciable property.~~

2070 (8) (a) Subject to the limitations of Subsection (8)(b), a business entity claiming a tax  
2071 credit under ~~[Subsections (7)(a) through (d)]~~ Subsection (7)(a) may claim the tax credit for no  
2072 more than 30 full-time employee positions in a taxable year.

2073 (b) A business entity that received a tax credit for one or more new full-time employee

2074 positions under [~~Subsections (7)(a) through (d)~~] Subsection (7)(a) in a [~~prior~~] previous taxable  
2075 year may claim a tax credit for a new full-time employee position in a subsequent taxable year  
2076 under [~~Subsections (7)(a) through (d)~~] Subsection (7)(a) if:

2077 (i) the business entity has created a new full-time position within the enterprise zone;  
2078 and

2079 (ii) the total number of employee positions at the business entity at any point during the  
2080 tax year for which the tax credit is being claimed is greater than the highest number of  
2081 employee positions that existed at the business entity in the previous taxable year.

2082 (c) Construction jobs are not eligible for the tax [~~credits under Subsections (7)(a)~~  
2083 ~~through (d)~~] credit described in Subsection (7)(a).

2084 (9) If the amount of a tax credit under this section exceeds a business entity's tax  
2085 liability under this chapter for a taxable year, the business entity may carry forward the amount  
2086 of the tax credit exceeding the liability for a period that does not exceed the next three taxable  
2087 years.

2088 [~~(10) Tax credits under Subsections (7)(a) through (f) may not be claimed by a~~  
2089 ~~business entity primarily engaged in retail trade, residential rental property, or by a public~~  
2090 ~~utilities business.]~~

2091 (10) A business entity primarily engaged in retail trade or residential rental property or  
2092 a public utilities business may not claim a tax credit under Subsection (7).

2093 (11) A business entity that has no employees:

2094 (a) may not claim [~~tax credits under Subsections (7)(a) through (d)~~] a tax credit  
2095 described in Subsection (7)(a); and

2096 (b) may claim [~~tax credits under Subsections (7)(e) through (f)~~] a tax credit described  
2097 in Subsection (7)(b).

2098 (12) [~~(a)~~] A business entity may not claim or carry forward a tax credit available under  
2099 this part for a taxable year during which the business entity has claimed the targeted business  
2100 income tax credit available under Section [63N-2-304](#).

2101 [~~(b) A business entity may not claim or carry forward a tax credit available under this~~  
2102 ~~section for a taxable year during which the business entity claims or carries forward a tax credit~~  
2103 ~~available under Section [59-7-610](#) or [59-10-1007](#).]~~

2104 (13) (a) On or before November 30, 2018, and every three years after 2018, the

2105 Revenue and Taxation Interim Committee shall review the tax credits provided by this section  
2106 and make recommendations concerning whether the tax credits should be continued, modified,  
2107 or repealed.

2108 (b) In conducting the review required by Subsection (13)(a), the Revenue and Taxation  
2109 Interim Committee shall:

2110 (i) schedule time on at least one committee agenda to conduct the review;

2111 (ii) invite state agencies, individuals, and organizations concerned with the credits  
2112 under review to provide testimony;

2113 (iii) ensure that the recommendations described in this section include an evaluation of:

2114 (A) the cost of the tax credits to the state;

2115 (B) the purpose and effectiveness of the tax credits; and

2116 (C) the extent to which the state benefits from the tax credits; and

2117 (iv) undertake other review efforts as determined by the chairs of the Revenue and  
2118 Taxation Interim Committee.

2119 Section 24. Section **63N-2-304** is amended to read:

2120 **63N-2-304. Application for targeted business income tax credit.**

2121 (1) (a) A business applicant may apply to the office for a targeted business income tax  
2122 credit eligibility certificate under this part if the business applicant:

2123 (i) is located in:

2124 (A) an enterprise zone; and

2125 (B) a county with a population of less than 25,000;

2126 (ii) meets the requirements of Section [63N-2-212](#);

2127 (iii) provides a community investment project within the enterprise zone; and

2128 (iv) is not engaged in the following:

2129 (A) construction;

2130 (B) retail trade; or

2131 (C) public utility activities.

2132 (b) For a taxable year for which a business applicant claims a targeted business income  
2133 tax credit available under this part, the business applicant may not claim or carry forward a tax  
2134 credit available under Section ~~[59-7-610, 59-10-1007, or]~~ [63N-2-213](#).

2135 (2) (a) A business applicant seeking to claim a targeted business income tax credit

2136 under this part shall submit an application to the office by no later than June 1 of the taxable  
2137 year in which the business applicant is seeking to claim the targeted business income tax credit.

2138 (b) The application described in Subsection (2)(a) shall include:

2139 (i) any documentation required by the office to demonstrate that the business applicant  
2140 meets the requirements of Subsection (1);

2141 (ii) a plan developed by the business applicant that describes:

2142 (A) if the community investment project includes significant new employment, the  
2143 projected number and anticipated wage level of the jobs that the business applicant plans to  
2144 create as the basis for qualifying for a targeted business income tax credit;

2145 (B) if the community investment project includes significant new capital development,  
2146 the capital development the business applicant plans to make as the basis for qualifying for a  
2147 targeted business income tax credit;

2148 (C) how the business applicant's plan coordinates with the goals of the enterprise zone  
2149 in which the business applicant is providing a community investment project;

2150 (D) how the business applicant's plan coordinates with the overall economic  
2151 development goals of the county or municipality in which the business applicant is providing a  
2152 community investment project;

2153 (E) any matching funds that will be used for the community investment project;

2154 (F) how any targeted business income tax credit incentives that were awarded in a  
2155 previous year have been used for the community investment project by the business applicant;  
2156 and

2157 (G) the requested amount of the targeted business income tax credit; and

2158 (iii) any additional information required by the office.

2159 (3) (a) The office shall:

2160 (i) evaluate an application filed under Subsection (2);

2161 (ii) determine whether the business applicant is potentially eligible for a targeted  
2162 business income tax credit; and

2163 (iii) if the business applicant is potentially eligible for a targeted business income tax  
2164 credit, determine performance benchmarks and the deadline for meeting those benchmarks that  
2165 the business applicant must achieve before the office awards a targeted business income tax  
2166 credit to the business applicant.

2167 (b) If the office determines that the business applicant is potentially eligible for a  
2168 targeted business income tax credit, the office shall:

2169 (i) notify the business applicant that the business applicant is eligible for a targeted  
2170 business income tax credit if the business applicant meets the performance benchmarks by the  
2171 deadline as determined by the office as described in Subsection (3)(a)(iii);

2172 (ii) notify the business applicant of the potential amount of the targeted business  
2173 income tax credit that may be awarded to the business applicant, which amount may be no  
2174 more than \$100,000 for the business applicant in a taxable year; and

2175 (iii) monitor a business applicant to ensure compliance with this section and to  
2176 measure the business applicant's progress in meeting performance benchmarks.

2177 (c) If the business applicant provides evidence to the office, in a form prescribed by the  
2178 office, that the business applicant has achieved the performance benchmarks by the deadline as  
2179 determined by the office as described in Subsection (3)(a)(iii), the office shall:

2180 (i) certify that the business applicant is eligible for a targeted business income tax  
2181 credit;

2182 (ii) issue a targeted business income tax credit eligibility certificate to the business  
2183 applicant in accordance with:

2184 (A) for a business applicant that files a return under Title 59, Chapter 7, Corporate  
2185 Franchise and Income Taxes, Section [59-7-624](#); or

2186 (B) for a business applicant that files a return under Title 59, Chapter 10, Individual  
2187 Income Tax Act, Section [59-10-1112](#); and

2188 (iii) provide a duplicate copy of the targeted business income tax credit eligibility  
2189 certificate to the State Tax Commission.

2190 (4) The total amount of the targeted business income tax credit eligibility certificates  
2191 that the office issues under this part for all business applicants may not exceed \$300,000 in any  
2192 fiscal year.

2193 (5) (a) A business applicant shall retain the targeted business income tax credit  
2194 eligibility certificate as issued under Subsection (3) for the same time period that a person is  
2195 required to keep books and records under Section [59-1-1406](#).

2196 (b) The office may audit a business applicant to ensure:

2197 (i) eligibility for a targeted business income tax credit; and



2198 (ii) compliance with this section.

2199 Section 25. Section **79-6-401** is amended to read:

2200 **79-6-401. Office of Energy Development -- Creation -- Director -- Purpose --**  
2201 **Rulemaking regarding confidential information -- Fees -- Transition for employees.**

2202 (1) There is created an Office of Energy Development in the Department of Natural  
2203 Resources.

2204 (2) (a) The energy advisor shall serve as the director of the office or, on or before June  
2205 30, 2029, appoint a director of the office.

2206 (b) The director:

2207 (i) shall, if the energy advisor appoints a director under Subsection (2)(a), report to the  
2208 energy advisor; and

2209 (ii) may appoint staff as funding within existing budgets allows.

2210 (c) The office may consolidate energy staff and functions existing in the state energy  
2211 program.

2212 (3) The purposes of the office are to:

2213 (a) serve as the primary resource for advancing energy and mineral development in the  
2214 state;

2215 (b) implement:

2216 (i) the state energy policy under Section [79-6-301](#); and

2217 (ii) the governor's energy and mineral development goals and objectives;

2218 (c) advance energy education, outreach, and research, including the creation of  
2219 elementary, higher education, and technical college energy education programs;

2220 (d) promote energy and mineral development workforce initiatives; and

2221 (e) support collaborative research initiatives targeted at Utah-specific energy and  
2222 mineral development.

2223 (4) By following the procedures and requirements of Title 63J, Chapter 5, Federal  
2224 Funds Procedures Act, the office may:

2225 (a) seek federal grants or loans;

2226 (b) seek to participate in federal programs; and

2227 (c) in accordance with applicable federal program guidelines, administer federally  
2228 funded state energy programs.

2229 (5) The office shall perform the duties required by Sections 11-42a-106, 59-5-102,  
2230 [~~59-7-614.7, 59-10-1029, Part 5, Alternative Energy Development Tax Credit Act,~~] and Part 6,  
2231 High Cost Infrastructure Development Tax Credit Act.

2232 (6) (a) For purposes of administering this section, the office may make rules, by  
2233 following Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to maintain as  
2234 confidential, and not as a public record, information that the office receives from any source.

2235 (b) The office shall maintain information the office receives from any source at the  
2236 level of confidentiality assigned by the source.

2237 (7) The office may charge application, filing, and processing fees in amounts  
2238 determined by the office in accordance with Section 63J-1-504 as dedicated credits for  
2239 performing office duties described in this part.

2240 (8) (a) An employee of the office is an at-will employee.

2241 (b) For an employee of the office on July 1, 2021, the employee shall have the same  
2242 salary and benefit options the employee had when the office was part of the office of the  
2243 governor.

2244 Section 26. **Repealer.**

2245 This bill repeals:

2246 Section 19-13-110, **Recycling market development zone credit.**

2247 Section 59-7-601, **Credit of interest income from state and federal securities.**

2248 Section 59-7-609, **Historic preservation credit.**

2249 Section 59-7-610, **Recycling market development zones tax credits.**

2250 Section 59-7-614.5, **Refundable motion picture tax credit.**

2251 Section 59-7-614.7, **Nonrefundable alternative energy development tax credit.**

2252 Section 59-10-1007, **Recycling market development zones tax credits.**

2253 Section 59-10-1024, **Nonrefundable tax credit for qualifying solar projects.**

2254 Section 59-10-1025, **Nonrefundable tax credit for investment in certain life science**  
2255 **establishments.**

2256 Section 59-10-1029, **Nonrefundable alternative energy development tax credit.**

2257 Section 59-10-1108, **Refundable motion picture tax credit.**

2258 Section 63N-2-801, **Title.**

2259 Section 63N-2-802, **Definitions.**

- 2260 Section [63N-2-803](#), Tax credits issued by office.
- 2261 Section [63N-2-804](#), Person may not claim or pass through a tax credit without tax  
2262 credit certificate.
- 2263 Section [63N-2-805](#), Application process.
- 2264 Section [63N-2-806](#), Criteria for tax credits.
- 2265 Section [63N-2-807](#), Rulemaking authority.
- 2266 Section [63N-2-808](#), Agreements between office and tax credit applicant and life  
2267 science establishment -- Tax credit certificate.
- 2268 Section [63N-2-809](#), Issuance of tax credit certificates.
- 2269 Section [63N-2-810](#), Reports on tax credit certificates.
- 2270 Section [63N-2-811](#), Reports of tax credits.
- 2271 Section [63N-8-101](#), Title -- Purpose.
- 2272 Section [63N-8-102](#), Definitions.
- 2273 Section [63N-8-103](#), Motion Picture Incentive Account created -- Cash rebate  
2274 incentives -- Refundable tax credit incentives.
- 2275 Section [63N-8-104](#), Motion picture incentives -- Standards to qualify for an  
2276 incentive -- Limitations -- Content of agreement between office and motion picture  
2277 company or digital media company.
- 2278 Section [63N-8-105](#), Annual report.
- 2279 Section [79-6-501](#), Title.
- 2280 Section [79-6-502](#), Definitions.
- 2281 Section [79-6-503](#), Tax credits.
- 2282 Section [79-6-504](#), Qualifications for tax credit -- Procedure.
- 2283 Section [79-6-505](#), Report to the Legislature.
- 2284 Section 27. **Effective date.**
- 2285 (1) Except as provided in Subsections (2) and (3), this bill takes effect on January 1,  
2286 2023.
- 2287 (2) The changes to the following sections take effect for a taxable year that begins on  
2288 or after January 1, 2023:
- 2289 (a) Section [59-7-601](#);
- 2290 (b) Section [59-7-609](#);

- 2291 (c) Section 59-7-610;
- 2292 (d) Section 59-7-612;
- 2293 (e) Section 59-7-614;
- 2294 (f) Section 59-7-614.5;
- 2295 (g) Section 59-7-614.7;
- 2296 (h) Section 59-7-624;
- 2297 (i) Section 59-10-1002.2;
- 2298 (j) Section 59-10-1006;
- 2299 (k) Section 59-10-1007;
- 2300 (l) Section 59-10-1012;
- 2301 (m) Section 59-10-1014;
- 2302 (n) Section 59-10-1024;
- 2303 (o) Section 59-10-1025;
- 2304 (p) Section 59-10-1029;
- 2305 (q) Section 59-10-1106;
- 2306 (r) Section 59-10-1108;
- 2307 (s) Section 59-10-1112; and
- 2308 (t) Section 63N-2-213.
- 2309 (3) The changes to Section 63N-2-104 take effect on May 4, 2022.