

Representative Kay J. Christofferson proposes the following substitute bill:

INCENTIVES AMENDMENTS

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Kay J. Christofferson

Senate Sponsor: Lincoln Fillmore

LONG TITLE

General Description:

This bill amends provisions related to tax credits.

Highlighted Provisions:

This bill:

- ▶ requires each state agency that issues a tax credit certificate for a tax credit to provide the State Tax Commission with an electronic link to a webpage where the state agency lists the names of the claimants and amounts of tax credits the claimants are eligible to claim;
- ▶ requires the State Tax Commission to create a webpage that links to each state agency's list of tax credit claimants;
- ▶ requires the Revenue and Taxation Interim Committee to:
 - evaluate whether performance metrics or reporting requirements for the tax credit would improve the committee's evaluation of the benefits to the taxpayer and the state from the tax credit and, if so, prepare legislation recommending specific performance metrics or reporting requirements; and
 - evaluate the effectiveness of the process for claiming a research activities tax credit, including receiving recommendations for improvement from the State Tax Commission, and prepare legislation if the committee recommends any



- 26 changes to the process;
- 27 ▶ modifies reporting and study requirements related to repealed income tax credits;
- 28 ▶ creates a statutory certificate process for the historic preservation tax credits;
- 29 ▶ requires the State Historic Preservation Office to report the number of estimated
- 30 new jobs created by approved historic rehabilitation work in the Department of
- 31 Cultural and Community Engagement's annual report;
- 32 ▶ modifies the corporate and individual recycling market development zone tax
- 33 credits:
- 34 • to eliminate the expenditures credit; and
- 35 • to limit the machinery and equipment credit to taxpayers who do not qualify for
- 36 a sales and use tax exemption on the purchase of machinery and equipment;
- 37 ▶ clarifies the production capacity requirements for solar equipment to be eligible for
- 38 the renewable energy systems tax credits;
- 39 ▶ requires the Governor's Office of Economic Opportunity to report in the annual
- 40 report the amount of new state revenue generated from motion picture projects
- 41 within the state;
- 42 ▶ repeals the following individual income tax credits:
- 43 • qualifying solar projects; and
- 44 • investment in life sciences establishments;
- 45 ▶ repeals the Technology and Life Science Economic Development Act;
- 46 ▶ repeals the corporate and individual alternative energy development tax credits;
- 47 ▶ repeals the Alternative Energy Development Tax Credit Act; and
- 48 ▶ makes technical and conforming changes.

49 **Money Appropriated in this Bill:**

50 None

51 **Other Special Clauses:**

52 This bill provides a special effective date.

53 **Utah Code Sections Affected:**

54 AMENDS:

55 **59-7-159**, as last amended by Laws of Utah 2022, Chapters 264, 274

56 **59-7-610**, as last amended by Laws of Utah 2021, Chapter 367

- 57 [59-7-614](#), as last amended by Laws of Utah 2022, Chapter 274
- 58 [59-10-137](#), as last amended by Laws of Utah 2022, Chapter 264
- 59 [59-10-1002.2](#), as last amended by Laws of Utah 2022, Chapter 12
- 60 [59-10-1007](#), as last amended by Laws of Utah 2021, Chapter 367
- 61 [59-10-1014](#), as last amended by Laws of Utah 2021, Chapter 280
- 62 [59-10-1106](#), as last amended by Laws of Utah 2021, Chapters 280, 374
- 63 [63N-8-105](#), as last amended by Laws of Utah 2021, Chapter 282
- 64 [79-6-401](#), as last amended by Laws of Utah 2022, Chapter 322

65 ENACTS:

- 66 [59-1-214](#), Utah Code Annotated 1953

67 REPEALS AND REENACTS:

- 68 [59-7-609](#), as enacted by Laws of Utah 1995, Chapter 42
- 69 [59-10-1006](#), as renumbered and amended by Laws of Utah 2006, Chapter 223

70 REPEALS:

- 71 [59-7-614.7](#), as last amended by Laws of Utah 2021, Chapter 280
- 72 [59-10-1024](#), as last amended by Laws of Utah 2021, Chapter 280
- 73 [59-10-1025](#), as last amended by Laws of Utah 2019, Chapter 465
- 74 [59-10-1029](#), as last amended by Laws of Utah 2021, Chapter 280
- 75 [63N-2-801](#), as renumbered and amended by Laws of Utah 2015, Chapter 283
- 76 [63N-2-802](#), as last amended by Laws of Utah 2016, Chapter 354
- 77 [63N-2-803](#), as last amended by Laws of Utah 2016, Chapter 354
- 78 [63N-2-804](#), as renumbered and amended by Laws of Utah 2015, Chapter 283
- 79 [63N-2-805](#), as renumbered and amended by Laws of Utah 2015, Chapter 283
- 80 [63N-2-806](#), as last amended by Laws of Utah 2016, Chapter 354
- 81 [63N-2-807](#), as renumbered and amended by Laws of Utah 2015, Chapter 283
- 82 [63N-2-808](#), as last amended by Laws of Utah 2021, Chapter 282
- 83 [63N-2-809](#), as renumbered and amended by Laws of Utah 2015, Chapter 283
- 84 [63N-2-810](#), as last amended by Laws of Utah 2022, Chapter 362
- 85 [63N-2-811](#), as last amended by Laws of Utah 2021, Chapter 382
- 86 [79-6-501](#), as renumbered and amended by Laws of Utah 2021, Chapter 280
- 87 [79-6-502](#), as renumbered and amended by Laws of Utah 2021, Chapter 280

88 [79-6-503](#), as last amended by Laws of Utah 2021, Chapter 64 and renumbered and
89 amended by Laws of Utah 2021, Chapter 280

90 [79-6-504](#), as renumbered and amended by Laws of Utah 2021, Chapter 280

91 [79-6-505](#), as last amended by Laws of Utah 2022, Chapter 68

92

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

94 Section 1. Section **59-1-214** is enacted to read:

95 **59-1-214. Disclosure of tax credit recipients.**

96 (1) As used in this section:

97 (a) "Recipient" means a taxpayer, a claimant, an estate, or a trust that:

98 (i) applies for a tax credit certificate on or after January 1, 2024; and

99 (ii) is eligible to claim a tax credit in the amount for which a tax credit certificate is
100 issued.

101 (b) "Tax credit certificate" means a document that:

102 (i) a state agency is required by statute to issue upon an application by a taxpayer, a
103 claimant, an estate, or a trust;

104 (ii) verifies a taxpayer's, a claimant's, an estate's, or a trust's eligibility to claim a tax
105 credit;

106 (iii) lists the amount of tax credit that a taxpayer, a claimant, an estate, or a trust may
107 claim for the taxable year; and

108 (iv) without which the taxpayer, the claimant, the estate, or the trust may not claim the
109 tax credit.

110 (2) Each state agency shall provide the commission with a link to a webpage where the
111 state agency discloses, for each tax credit for which the state agency issues a tax credit
112 certificate:

113 (a) the names of each recipient of a tax credit certificate; and

114 (b) the amount of tax credit listed on the certificate.

115 (3) The Office of Energy Development is not required to comply with Subsection (2)
116 for a tax credit described in:

117 (a) Subsection [59-7-614\(3\)](#); or

118 (b) Section [59-10-1014](#).

119 (4) The commission shall create a single webpage on the commission's website that
120 links to each state agency's webpage containing the information described in Subsection (2).

121 Section 2. Section **59-7-159** is amended to read:

122 **59-7-159. Review of credits allowed under this chapter.**

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

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

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

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

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

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

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

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

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

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

142 (C) the extent to which the state benefits from the tax credit; [~~and~~]

143 (v) evaluate whether performance metrics or reporting requirements for the tax credit
144 would improve the committee's evaluation of the benefits to the taxpayer and the state from the
145 tax credit; and

146 (vi) undertake other review efforts as determined by the committee chairs or as
147 otherwise required by law.

148 (c) The committee shall prepare legislation for consideration by the Legislature at the
149 next general session recommending specific performance metrics or reporting requirements for

150 any tax credit that the committee determines meets the requirement described in Subsection
151 (2)(b)(v).

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

- 155 (i) Section 59-7-601;
- 156 (ii) Section 59-7-607;
- 157 (iii) Section 59-7-612;
- 158 (iv) Section 59-7-614.1; and
- 159 (v) Section 59-7-614.5.

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

- 163 (i) Section 59-7-609;
- 164 (ii) Section 59-7-614.2;
- 165 (iii) Section 59-7-614.10; and
- 166 (iv) Section 59-7-619.

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

- 170 (i) Section 59-7-610; and
- 171 (ii) Section 59-7-614[~~;~~and].
- 172 [~~(iii) Section 59-7-614.7.~~]

173 (d) (i) In addition to the reviews described in this Subsection (3), the committee shall
174 conduct a review of a tax credit described in this chapter that is enacted on or after January 1,
175 2017.

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

178 (4) On or before November 30, 2023, the committee shall:

179 (a) evaluate the effectiveness of the current process for issuing a tax credit described in
180 Section 59-7-612;

181 (b) receive input from the commission regarding improvements to the process for
182 issuing a tax credit described in Section 59-7-612; and

183 (c) if the committee makes a recommendation for improving the process for issuing a
184 tax credit described in Section 59-7-612, prepare legislation for consideration by the
185 Legislature at the next general session.

186 Section 3. Section 59-7-609 is repealed and reenacted to read:

187 **59-7-609. Historic preservation credit.**

188 (1) As used in this section:

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

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

192 (ii) (A) is located in a National Register Historic District; and

193 (B) has been designated by the office as being of significance to the district.

194 (b) "Office" means the State Historic Preservation Office.

195 (c) (i) "Qualified rehabilitation expenditures" means any amount properly chargeable to
196 the rehabilitation and restoration of the physical elements of the building.

197 (ii) "Qualified rehabilitation expenditures" includes the historic decorative elements
198 and the upgrading of the structural, mechanical, electrical, and plumbing systems.

199 (iii) "Qualified rehabilitation expenditures" does not include expenditures related to:

200 (A) the taxpayer's personal labor;

201 (B) cost of acquisition of the property;

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

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

204 Subsection (3)(a)(i);

205 (E) an expenditure attributable to landscaping or other site features, outbuildings,
206 garages, and related features; or

207 (F) demolition and removal costs for an existing building on a property site.

208 (d) "Residential" means a building used for residential use, either owner occupied or
209 income producing.

210 (2) A taxpayer may claim a nonrefundable tax credit in an amount equal to 20% of
211 qualified rehabilitation expenditures if:

- 212 (a) the qualified rehabilitation expenditures cost more than \$10,000;
- 213 (b) the qualified rehabilitation expenditures are incurred in connection with a
- 214 residential certified historic building; and
- 215 (c) the taxpayer has a written tax credit certificate issued by the office in accordance
- 216 with Subsection (3).
- 217 (3) (a) The office shall issue a tax credit certificate if the office:
- 218 (i) approves all rehabilitation work for which a taxpayer may claim a tax credit as
- 219 meeting the Secretary of the Interior's Standards for Rehabilitation before completion of the
- 220 rehabilitation project so that the office can provide corrective comments to the taxpayer to
- 221 preserve the historic qualities of the building;
- 222 (ii) determines that the rehabilitation project conforms with the approved rehabilitation
- 223 work; and
- 224 (iii) verifies the property is a residential certified historic building and the amount of
- 225 the taxpayer's qualified rehabilitation expenditures.
- 226 (b) The tax credit certificate shall list the amount of the tax credit that the taxpayer is
- 227 eligible to claim.
- 228 (c) A taxpayer that receives a tax credit certificate under this section shall retain the tax
- 229 credit certificate for the same time period a person is required to keep books and records under
- 230 Section [59-1-1406](#).
- 231 (d) The office shall provide the commission with an electronic report that includes for
- 232 each taxpayer to which the office issued a tax credit certificate under this section for a taxable
- 233 year:
- 234 (i) the name of the taxpayer;
- 235 (ii) the identifying information of the taxpayer; and
- 236 (iii) the amount of tax credit that the taxpayer is eligible to claim.
- 237 (4) A taxpayer may carry forward the amount of the tax credit that exceeds the
- 238 taxpayer's tax liability for five taxable years after the year in which the taxpayer claims a tax
- 239 credit under this section.
- 240 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 241 commission, in consultation with the office, shall make rules to implement this section.
- 242 (6) The office shall include the number of estimated new jobs created in the state from

243 rehabilitation work in the annual report described in Section 9-1-208.

244 Section 4. Section **59-7-610** is amended to read:

245 **59-7-610. Recycling market development zones tax credits.**

246 (1) As used in this section, a "qualifying taxpayer" means a business that:

247 (a) operates in a recycling market development zone as defined in Section 19-13-102;

248 and

249 (b) is not eligible for a sales and use tax exemption under Subsection 59-12-104(14).

250 (2) Subject to other provisions of this section, a qualifying taxpayer [that is a business
251 operating in a recycling market development zone as defined in Section 19-13-102] may claim
252 [the following nonrefundable tax credits:]

253 [(a)] a nonrefundable tax credit equal to the product of the percentage listed in
254 Subsection 59-7-104(2) and the purchase price paid for machinery and equipment used directly
255 in:

256 [(i)] (a) commercial composting; or

257 [(ii)] (b) manufacturing facilities or plant units that[:]

258 [(A) manufacture, process, compound, or produce recycled items of tangible personal
259 property for sale; or]

260 [(B)] reduce or reuse postconsumer waste material[; and].

261 [(b) a tax credit equal to the lesser of:]

262 [(i) 20% of net expenditures to third parties for rent, wages, supplies, tools, test
263 inventory, and utilities made by the taxpayer for establishing and operating recycling or
264 composting technology in the state; and]

265 [(ii) \$2,000.]

266 [(2)] (3) (a) To claim a tax credit described in Subsection [(1)] (2), the qualifying
267 taxpayer shall receive from the Department of Environmental Quality a written certification, on
268 a form approved by the commission, that includes:

269 (i) a statement that the taxpayer is a qualifying taxpayer [is operating a business within
270 the boundaries of a recycling market development zone];

271 [(ii) for a claim of the tax credit described in Subsection (1)(a):]

272 [(A)] (ii) the type of the machinery and equipment that the qualifying taxpayer
273 purchased;

- 274 ~~[(B)]~~ (iii) the date that the qualifying taxpayer purchased the machinery and equipment;
- 275 ~~[(C)]~~ (iv) the purchase price for ~~[the]~~ each item of machinery and equipment;
- 276 ~~[(D)]~~ (v) the total purchase price for all machinery and equipment for which the
- 277 qualifying taxpayer is claiming a tax credit;
- 278 ~~[(E)]~~ (vi) a statement that the machinery and equipment are integral to the composting
- 279 or recycling process; and
- 280 ~~[(F)]~~ (vii) the amount of the qualifying taxpayer's tax credit~~[-and]~~.
- 281 ~~[(iii) for a claim of the tax credit described in Subsection (1)(b):]~~
- 282 ~~[(A) the type of net expenditure that the taxpayer made to a third party;]~~
- 283 ~~[(B) the date that the taxpayer made the payment to a third party;]~~
- 284 ~~[(C) the amount that the taxpayer paid to each third party;]~~
- 285 ~~[(D) the total amount that the taxpayer paid to all third parties;]~~
- 286 ~~[(E) a statement that the net expenditures support the establishment and operation of~~
- 287 recycling or composting technology in the state; and]
- 288 ~~[(F) the amount of the taxpayer's tax credit.]~~
- 289 (b) (i) The Department of Environmental Quality shall provide a qualifying taxpayer
- 290 seeking to claim a tax credit under Subsection ~~[(1)]~~ (2) with a copy of the written certification.
- 291 (ii) The qualifying taxpayer shall retain a copy of the written certification for the same
- 292 period of time that a person is required to keep books and records under Section [59-1-1406](#).
- 293 (c) The Department of Environmental Quality shall submit to the commission an
- 294 electronic list that includes:
- 295 (i) the name and identifying information of each qualifying taxpayer to which the
- 296 Department of Environmental Quality issues a written certification; and
- 297 (ii) for each qualifying taxpayer, the amount of each tax credit listed on the written
- 298 certification.
- 299 ~~[(3)]~~ (4) A qualifying taxpayer may not claim a tax credit ~~[under Subsection (1)(a);~~
- 300 Subsection (1)(b), or both] that exceeds 40% of the qualifying taxpayer's state income tax
- 301 liability as the tax liability is calculated:
- 302 (a) for the taxable year in which the qualifying taxpayer made the purchases ~~[or~~
- 303 payments];
- 304 (b) before any other tax credits the qualifying taxpayer may claim for the taxable year;

305 and

306 (c) before the qualifying taxpayer claims a tax credit authorized by this section.

307 ~~[(4)]~~ (5) The commission shall make rules governing what information a qualifying
308 taxpayer shall file with the commission to verify the entitlement to and amount of a tax credit.

309 ~~[(5)]~~ (6) Except as provided in Subsections ~~[(6) through]~~ (7) and (8), a qualifying
310 taxpayer may carry forward, to the next three taxable years, the amount of a tax credit
311 ~~[described in Subsection (1)(a) that the]~~ that the qualifying taxpayer does not use for the
312 taxable year.

313 ~~[(6)]~~ (7) A qualifying taxpayer may not claim or carry forward a tax credit ~~[described~~
314 ~~in Subsection (1)(a) in]~~ under this section for a taxable year during which the qualifying
315 taxpayer claims or carries forward a tax credit under Section 63N-2-213.

316 ~~[(7) A taxpayer may not claim a tax credit described in Subsection (1)(b) in a taxable~~
317 ~~year during which the taxpayer claims or carries forward a tax credit under Section~~
318 ~~63N-2-213.]~~

319 (8) A qualifying taxpayer may not claim or carry forward a tax credit under this section
320 for a taxable year during which the qualifying taxpayer claims the targeted business income tax
321 credit under Section 59-7-624.

322 Section 5. Section 59-7-614 is amended to read:

323 **59-7-614. Renewable energy systems tax credits -- Definitions -- Certification --**
324 **Rulemaking authority.**

325 (1) As used in this section:

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

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

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

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

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

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

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

- 336 (c) "Commercial energy system" means a system that is:
337 (i) (A) an active solar system;
338 (B) a biomass system;
339 (C) a direct use geothermal system;
340 (D) a geothermal electricity system;
341 (E) a geothermal heat pump system;
342 (F) a hydroenergy system;
343 (G) a passive solar system; or
344 (H) a wind system;
345 (ii) located in the state; and
346 (iii) used:
347 (A) to supply energy to a commercial unit; or
348 (B) as a commercial enterprise.
349 (d) "Commercial enterprise" means an entity, the purpose of which is to produce:
350 (i) electrical, mechanical, or thermal energy for sale from a commercial energy system;
351 or
352 (ii) hydrogen for sale from a hydrogen production system.
353 (e) (i) "Commercial unit" means a building or structure that an entity uses to transact
354 business.
355 (ii) Notwithstanding Subsection (1)(e)(i):
356 (A) with respect to an active solar system used for agricultural water pumping or a
357 wind system, each individual energy generating device is considered to be a commercial unit;
358 or
359 (B) if an energy system is the building or structure that an entity uses to transact
360 business, a commercial unit is the complete energy system itself.
361 (f) "Direct use geothermal system" means a system of apparatus and equipment that
362 enables the direct use of geothermal energy to meet energy needs, including heating a building,
363 an industrial process, and aquaculture.
364 (g) "Geothermal electricity" means energy that is:
365 (i) contained in heat that continuously flows outward from the earth; and
366 (ii) used as a sole source of energy to produce electricity.

- 367 (h) "Geothermal energy" means energy generated by heat that is contained in the earth.
368 (i) "Geothermal heat pump system" means a system of apparatus and equipment that:
369 (i) enables the use of thermal properties contained in the earth at temperatures well
370 below 100 degrees Fahrenheit; and
371 (ii) helps meet heating and cooling needs of a structure.
372 (j) "Hydroenergy system" means a system of apparatus and equipment that is capable
373 of:
374 (i) intercepting and converting kinetic water energy into electrical or mechanical
375 energy; and
376 (ii) transferring this form of energy by separate apparatus to the point of use or storage.
377 (k) "Hydrogen production system" means a system of apparatus and equipment, located
378 in this state, that uses:
379 (i) electricity from a renewable energy source to create hydrogen gas from water,
380 regardless of whether the renewable energy source is at a separate facility or the same facility
381 as the system of apparatus and equipment; or
382 (ii) uses renewable natural gas to produce hydrogen gas.
383 (l) "Office" means the Office of Energy Development created in Section [79-6-401](#).
384 (m) (i) "Passive solar system" means a direct thermal system that utilizes the structure
385 of a building and the structure's operable components to provide for collection, storage, and
386 distribution of heating or cooling during the appropriate times of the year by utilizing the
387 climate resources available at the site.
388 (ii) "Passive solar system" includes those portions and components of a building that
389 are expressly designed and required for the collection, storage, and distribution of solar energy.
390 (n) "Photovoltaic system" means an active solar system that generates electricity from
391 sunlight.
392 (o) (i) "Principal recovery portion" means the portion of a lease payment that
393 constitutes the cost a person incurs in acquiring a commercial energy system.
394 (ii) "Principal recovery portion" does not include:
395 (A) an interest charge; or
396 (B) a maintenance expense.
397 (p) "Renewable energy source" means the same as that term is defined in Section

398 54-17-601.

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

- 401 (i) an active solar system;
- 402 (ii) a biomass system;
- 403 (iii) a direct use geothermal system;
- 404 (iv) a geothermal heat pump system;
- 405 (v) a hydroenergy system;
- 406 (vi) a passive solar system; or
- 407 (vii) a wind system.

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

- 410 (A) is located in the state; and
- 411 (B) serves as a dwelling for a person, group of persons, or a family.
- 412 (ii) "Residential unit" does not include property subject to a fee under:
 - 413 (A) Section 59-2-405;
 - 414 (B) Section 59-2-405.1;
 - 415 (C) Section 59-2-405.2;
 - 416 (D) Section 59-2-405.3; or
 - 417 (E) Section 72-10-110.5.

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

422 (2) A taxpayer may claim an energy system tax credit as provided in this section
423 against a tax due under this chapter for a taxable year.

424 (3) (a) Subject to the other provisions of this Subsection (3), a taxpayer may claim a
425 nonrefundable tax credit under this Subsection (3) with respect to a residential unit the taxpayer
426 owns or uses if:

- 427 (i) the taxpayer:
 - 428 (A) purchases and completes a residential energy system to supply all or part of the

429 energy required for the residential unit; or

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

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

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

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

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

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

443 (c) The total amount of tax credit a taxpayer may claim under this Subsection (3) for a
444 residential energy system, other than a photovoltaic system, may not exceed \$2,000 per
445 residential unit.

446 (d) The total amount of tax credit a taxpayer may claim under this Subsection (3) for a
447 photovoltaic system may not exceed:

448 (i) for a system installed on or after January 1, 2018, but on or before December 31,
449 2020, \$1,600;

450 (ii) for a system installed on or after January 1, 2021, but on or before December 31,
451 2021, \$1,200;

452 (iii) for a system installed on or after January 1, 2022, but on or before December 31,
453 2022, \$800;

454 (iv) for a system installed on or after January 1, 2023, but on or before December 31,
455 2023, \$400; and

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

457 (e) If a taxpayer sells a residential unit to another person before the taxpayer claims the
458 tax credit under this Subsection (3):

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

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

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

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

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

469 (A) wind, geothermal electricity, [~~solar~~], or biomass equipment capable of producing a
470 total of 660 or more kilowatts of electricity; or

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

472 (ii) the taxpayer purchases or participates in the financing of the commercial energy
473 system;

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

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

478 (iv) the taxpayer has not claimed and will not claim a tax credit under Subsection (7)
479 for hydrogen production using electricity for which the taxpayer claims a tax credit under this
480 Subsection (4); and

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

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

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

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

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

490 (c) (i) Subject to Subsections (4)(c)(ii) and (iii), a taxpayer that is a lessee of a

491 commercial energy system installed on a commercial unit may claim a tax credit under this
492 Subsection (4) if the taxpayer confirms that the lessor irrevocably elects not to claim the tax
493 credit.

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

496 (iii) A taxpayer described in Subsection (4)(c)(i) may claim a tax credit under this
497 Subsection (4) for a period that does not exceed seven taxable years after the day on which the
498 lease begins, as stated in the lease agreement.

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

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

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

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

507 (iii) the taxpayer has not claimed and will not claim a tax credit under Subsection (7)
508 for hydrogen production using electricity for which the taxpayer claims a tax credit under this
509 Subsection (5); and

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

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

514 (A) 0.35 cents; and

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

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

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

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

524 (i) the taxpayer owns a commercial energy system that uses solar equipment capable of
525 producing a total of [~~660~~] 2,000 or more kilowatts of electricity;

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

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

530 (iii) the taxpayer does not claim a tax credit under Subsection (4) and has not claimed
531 and will not claim a tax credit under Subsection (7) for hydrogen production using electricity
532 for which a taxpayer claims a tax credit under this Subsection (6); and

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

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

537 (A) 0.35 cents; and

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

539 (ii) A taxpayer is eligible to claim a tax credit under this Subsection (6) for production
540 occurring during a period of 48 months beginning with the month in which the commercial
541 energy system is placed in commercial service.

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

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

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

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

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

552 (iv) the taxpayer has not claimed and will not claim a tax credit under Subsection (4),

553 (5), or (6) or Section 59-7-626 for electricity or hydrogen used to meet the requirements of this
554 Subsection (7); and

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

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

559 (A) \$0.12; and

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

561 (ii) A taxpayer may not receive a tax credit under this Subsection (7) for more than
562 5,600 metric tons of hydrogen per taxable year.

563 (iii) A taxpayer is eligible to claim a tax credit under this Subsection (7) for production
564 occurring during a period of 48 months beginning with the month in which the hydrogen
565 production system is placed in commercial service.

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

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

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

570 (ii) the residential energy system, the commercial energy system, or the hydrogen
571 production system with respect to which the taxpayer seeks to claim a tax credit:

572 (A) has been completely installed;

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

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

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

579 (i) for determining whether a residential energy system, a commercial energy system,
580 or a hydrogen production system meets the requirements of Subsection (8)(b)(ii); and

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

584 (d) A taxpayer that obtains a written certification from the office shall retain the
585 certification for the same time period a person is required to keep books and records under
586 Section 59-1-1406.

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

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

590 (ii) for each taxpayer:

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

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

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

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

597 Section 6. Section 59-10-137 is amended to read:

598 **59-10-137. Review of credits allowed under this chapter.**

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

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

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

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

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

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

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

614 (iv) ensure that the committee's recommendations described in this section include an

615 evaluation of:

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

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

618 (C) the extent to which the state benefits from the tax credit; [~~and~~]

619 (v) evaluate whether performance metrics or reporting requirements for the tax credit

620 would improve the committee's evaluation of the benefits to the claimant, estate, or trust and

621 the state from the tax credit; and

622 [~~(v)~~] (vi) undertake other review efforts as determined by the committee chairs or as

623 otherwise required by law.

624 (c) The committee shall prepare legislation for consideration by the Legislature at the

625 next general session recommending specific performance metrics or reporting requirements for

626 any tax credit that the committee determines meets the requirement described in Subsection

627 (2)(b)(v).

628 (3) (a) On or before November 30, 2017, and every three years after 2017, the

629 committee shall conduct the review required under Subsection (2) of the tax credits allowed

630 under the following sections:

631 (i) Section 59-10-1004;

632 (ii) Section 59-10-1010;

633 (iii) Section 59-10-1015;

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

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

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

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

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

639 [~~(ix)~~] (viii) Section 59-10-1104;

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

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

642 (b) On or before November 30, 2018, and every three years after 2018, the committee

643 shall conduct the review required under Subsection (2) of the tax credits allowed under the

644 following sections:

645 (i) Section 59-10-1005;

- 646 (ii) Section 59-10-1006;
- 647 (iii) Section 59-10-1012;
- 648 (iv) Section 59-10-1022;
- 649 (v) Section 59-10-1023;
- 650 (vi) Section 59-10-1028;
- 651 (vii) Section 59-10-1034;
- 652 (viii) Section 59-10-1037; and
- 653 (ix) Section 59-10-1107.

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

- 657 (i) Section 59-10-1007;
- 658 (ii) Section 59-10-1014;
- 659 (iii) Section 59-10-1017;
- 660 (iv) Section 59-10-1018;
- 661 (v) Section 59-10-1019;
- 662 [~~(vi) Section 59-10-1024;~~]
- 663 [~~(vii) Section 59-10-1029;~~]
- 664 [~~(viii)~~] (vi) Section 59-10-1036;
- 665 [~~(ix)~~] (vii) Section 59-10-1106; and
- 666 [~~(x)~~] (viii) Section 59-10-1111.

667 (d) (i) In addition to the reviews described in this Subsection (3), the committee shall
668 conduct a review of a tax credit described in this chapter that is enacted on or after January 1,
669 2017.

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

672 (4) On or before November 30, 2023, the committee shall:

673 (a) evaluate the effectiveness of the current process for issuing a tax credit described in
674 Section 59-10-1012;

675 (b) receive input from the commission regarding improvements to the process for
676 issuing a tax credit described in Section 59-10-1012; and

677 (c) if the committee makes a recommendation for improving the process for issuing a
678 tax credit described in Section 59-10-1012, prepare legislation for consideration by the
679 Legislature at the next general session.

680 Section 7. Section 59-10-1002.2 is amended to read:

681 **59-10-1002.2. Apportionment of tax credits.**

682 (1) A nonresident individual or a part-year resident individual that claims a tax credit
683 in accordance with Section 59-10-1017, 59-10-1018, 59-10-1019, 59-10-1022, 59-10-1023[;
684 ~~59-10-1024~~], 59-10-1028, 59-10-1042, 59-10-1043, or 59-10-1044 may only claim an
685 apportioned amount of the tax credit equal to:

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

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

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

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

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

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

694 (2) A nonresident estate or trust that claims a tax credit in accordance with Section
695 59-10-1017, 59-10-1020, 59-10-1022[~~59-10-1024~~], or 59-10-1028 may only claim an
696 apportioned amount of the tax credit equal to the product of:

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

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

700 Section 8. Section 59-10-1006 is repealed and reenacted to read:

701 **59-10-1006. Historic preservation tax credit.**

702 (1) As used in this section:

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

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

706 (ii) (A) is located in a National Register Historic District; and

707 (B) has been designated by the office as being of significance to the district.

- 708 (b) "Office" means the State Historic Preservation Office.
- 709 (c) (i) "Qualified rehabilitation expenditures" means any amount properly chargeable to
710 the rehabilitation and restoration of the physical elements of the building.
- 711 (ii) "Qualified rehabilitation expenditures" includes the historic decorative elements
712 and the upgrading of the structural, mechanical, electrical, and plumbing systems.
- 713 (iii) "Qualified rehabilitation expenditures" does not include expenditures related to:
- 714 (A) the claimant's, estate's, or trust's personal labor;
- 715 (B) cost of acquisition of the property;
- 716 (C) any expenditure attributable to the enlargement of an existing building;
- 717 (D) rehabilitation of a certified historic building without the approval required in
718 Subsection (3)(a)(i);
- 719 (E) an expenditure attributable to landscaping or other site features, outbuildings,
720 garages, and related features; or
- 721 (F) demolition and removal costs for an existing building on a property site.
- 722 (d) "Residential" means a building used for residential use, either owner occupied or
723 income producing.
- 724 (2) A claimant, estate, or trust may claim a nonrefundable tax credit in an amount equal
725 to 20% of qualified rehabilitation expenditures if:
- 726 (a) the qualified rehabilitation expenditures cost more than \$10,000;
- 727 (b) the qualified rehabilitation expenditures are incurred in connection with a
728 residential certified historic building; and
- 729 (c) the claimant, estate, or trust has a written tax credit certificate issued in accordance
730 with Subsection (3).
- 731 (3) (a) The office shall issue a tax credit certificate if the office:
- 732 (i) approves all rehabilitation work for which a claimant, estate, or trust may claim a
733 tax credit as meeting the Secretary of the Interior's Standards for Rehabilitation before
734 completion of the rehabilitation project so that the office can provide corrective comments to
735 the claimant, estate, or trust to preserve the historic qualities of the building;
- 736 (ii) determines that the rehabilitation project conforms with the approved rehabilitation
737 work; and
- 738 (iii) verifies the property is a residential certified historic building and the amount of

739 the claimant's, estate's, or trust's qualified rehabilitation expenditures.

740 (b) The tax credit certificate shall list the amount of the tax credit that the claimant,
741 estate, or trust is eligible to claim.

742 (c) A claimant, estate, or trust that receives a tax credit certificate under this section
743 shall retain the tax credit certificate for the same time period a person is required to keep books
744 and records under Section 59-1-1406.

745 (d) The office shall provide the commission with an electronic report that includes for
746 each claimant, estate, or trust to which the office issued a tax credit certificate under this
747 section for a taxable year:

748 (i) the name of the claimant, estate, or trust;

749 (ii) the identifying information of the claimant, estate, or trust; and

750 (iii) the amount of tax credit that the claimant, estate, or trust is eligible to claim.

751 (4) A claimant, estate, or trust may carry forward the amount of the tax credit that
752 exceeds the claimant's, estate's, or trust's tax liability for five taxable years after the year in
753 which the claimant, estate, or trust claims a tax credit under this section.

754 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
755 commission, in consultation with the office, shall make rules to implement this section.

756 (6) The office shall include the number of estimated new jobs created in the state from
757 rehabilitation work in the annual report described in Section 9-1-208.

758 Section 9. Section 59-10-1007 is amended to read:

759 **59-10-1007. Recycling market development zones tax credits.**

760 (1) As used in this section, "qualifying claimant, estate, or trust" means a business that:

761 (a) operates in a recycling market development zone as defined in Section 19-13-102;

762 and

763 (b) is not eligible for a sales and use tax exemption under Subsection 59-12-104(14).

764 (2) Subject to other provisions of this section, a qualifying claimant, estate, or trust [~~in~~
765 a recycling market development zone as defined in Section 19-13-102 may claim the following
766 nonrefundable tax credits:]

767 [~~(a)~~ a] may claim a nonrefundable tax credit equal to the product of the percentage
768 listed in Subsection 59-10-104(2) and the purchase price paid for machinery and equipment
769 used directly in:

770 [(i)] (a) commercial composting; or
771 [(ii)] (b) manufacturing facilities or plant units that[:]
772 [~~(A)~~ manufacture, process, compound, or produce recycled items of tangible personal
773 property for sale; or]
774 [(B)] reduce or reuse postconsumer waste material[; and].
775 [(b) a tax credit equal to the lesser of:]
776 [(i) 20% of net expenditures to third parties for rent, wages, supplies, tools, test
777 inventory, and utilities made by the claimant, estate, or trust for establishing and operating
778 recycling or composting technology in the state; and]
779 [(ii) \$2,000.]
780 [(2)] (3) (a) To claim a tax credit described in Subsection [(1)] (2), the qualifying
781 claimant, estate, or trust shall receive from the Department of Environmental Quality a written
782 certification, on a form approved by the commission, that includes:
783 (i) a statement that the claimant, estate, or trust is [~~operating within the boundaries of a~~
784 recycling market development zone] a qualifying claimant, estate, or trust;
785 [(ii) for a claim of the tax credit described in Subsection (1)(a):]
786 [(A)] (ii) the type of the machinery and equipment that the qualifying claimant, estate,
787 or trust purchased;
788 [(B)] (iii) the date that the qualifying claimant, estate, or trust purchased the machinery
789 and equipment;
790 [(C)] (iv) the purchase price for [~~the~~] each item of machinery and equipment;
791 [(D)] (v) the total purchase price for all machinery and equipment for which the
792 qualifying claimant, estate, or trust is claiming a tax credit;
793 (vi) a statement that the machinery and equipment are integral to the composting or
794 recycling process; and
795 [(E)] (vii) the amount of the qualifying claimant's, estate's, or trust's tax credit[; and].
796 [(F) a statement that the machinery and equipment are integral to the composting or
797 recycling process; and]
798 [(iii) for a claim of the tax credit described in Subsection (1)(b):]
799 [(A) the type of net expenditure that the claimant, estate, or trust made to a third party;]
800 [(B) the date that the claimant, estate, or trust made the payment to a third party;]

801 ~~[(C) the amount that the claimant, estate, or trust paid to each third party;]~~
802 ~~[(D) the total amount that the claimant, estate, or trust paid to all third parties;]~~
803 ~~[(E) a statement that the net expenditures support the establishment and operation of~~
804 ~~recycling or composting technology in the state; and]~~
805 ~~[(F) the amount of the claimant's, estate's, or trust's tax credit.]~~
806 (b) (i) The Department of Environmental Quality shall provide a qualifying claimant,
807 estate, or trust seeking to claim a tax credit under Subsection ~~[(1)]~~ (2) with a copy of the
808 written certification.
809 (ii) The qualifying claimant, estate, or trust shall retain a copy of the written
810 certification for the same period of time that a person is required to keep books and records
811 under Section 59-1-1406.
812 (c) The Department of Environmental Quality shall submit to the commission an
813 electronic list that includes:
814 (i) the name and identifying information of each qualifying claimant, estate, or trust to
815 which the Department of Environmental Quality issues a written certification; and
816 (ii) for each qualifying claimant, estate, or trust, the amount of each tax credit listed on
817 the written certification.
818 ~~[(3)]~~ (4) A qualifying claimant, estate, or trust may not claim a tax credit ~~[under~~
819 ~~Subsection (1)(a), Subsection (1)(b), or both]~~ that exceeds 40% of the qualifying claimant's,
820 estate's, or trust's state income tax liability as the tax liability is calculated:
821 (a) for the taxable year in which the qualifying claimant, estate, or trust made the
822 purchases ~~[or payments]~~;
823 (b) before any other tax credits the qualifying claimant, estate, or trust may claim for
824 the taxable year; and
825 (c) before the qualifying claimant, estate, or trust claims a tax credit authorized by this
826 section.
827 ~~[(4)]~~ (5) The commission shall make rules governing what information a qualifying
828 claimant, estate, or trust shall file with the commission to verify the entitlement to and amount
829 of a tax credit.
830 ~~[(5)]~~ (6) Except as provided in Subsections ~~[(6) through]~~ (7) and (8), a qualifying
831 claimant, estate, or trust may carry forward, to the next three taxable years, the amount of a tax

832 credit [~~described in Subsection (1)(a)~~] that the qualifying claimant, estate, or trust does not use
833 for the taxable year.

834 [~~(6)~~] (7) A qualifying claimant, estate, or trust may not claim or carry forward a tax
835 credit [~~described in Subsection (1)(a) in~~] under this section for a taxable year during which the
836 qualifying claimant, estate, or trust claims or carries forward a tax credit under Section
837 63N-2-213.

838 [~~(7) A claimant, estate, or trust may not claim a tax credit described in Subsection~~
839 ~~(1)(b) in a taxable year during which the claimant, estate, or trust claims or carries forward a~~
840 ~~tax credit under Section 63N-2-213.]~~

841 (8) A qualifying claimant, estate, or trust may not claim or carry forward a tax credit
842 under this section for a taxable year during which the qualifying claimant, estate, or trust
843 claims the targeted business income tax credit under Section 59-10-1112.

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

845 **59-10-1014. Nonrefundable renewable energy systems tax credits -- Definitions --**

846 **Certification -- Rulemaking authority.**

847 (1) As used in this section:

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

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

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

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

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

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

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

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

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

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

- 863 (ii) used as a sole source of energy to produce electricity.
- 864 (e) "Geothermal energy" means energy generated by heat that is contained in the earth.
- 865 (f) "Geothermal heat pump system" means a system of apparatus and equipment that:
- 866 (i) enables the use of thermal properties contained in the earth at temperatures well
- 867 below 100 degrees Fahrenheit; and
- 868 (ii) helps meet heating and cooling needs of a structure.
- 869 (g) "Hydroenergy system" means a system of apparatus and equipment that is capable
- 870 of:
- 871 (i) intercepting and converting kinetic water energy into electrical or mechanical
- 872 energy; and
- 873 (ii) transferring this form of energy by separate apparatus to the point of use or storage.
- 874 (h) "Office" means the Office of Energy Development created in Section 79-6-401.
- 875 (i) (i) "Passive solar system" means a direct thermal system that utilizes the structure of
- 876 a building and its operable components to provide for collection, storage, and distribution of
- 877 heating or cooling during the appropriate times of the year by utilizing the climate resources
- 878 available at the site.
- 879 (ii) "Passive solar system" includes those portions and components of a building that
- 880 are expressly designed and required for the collection, storage, and distribution of solar energy.
- 881 (j) "Photovoltaic system" means an active solar system that generates electricity from
- 882 sunlight.
- 883 (k) (i) "Principal recovery portion" means the portion of a lease payment that
- 884 constitutes the cost a person incurs in acquiring a residential energy system.
- 885 (ii) "Principal recovery portion" does not include:
- 886 (A) an interest charge; or
- 887 (B) a maintenance expense.
- 888 (l) "Residential energy system" means the following used to supply energy to or for a
- 889 residential unit:
- 890 (i) an active solar system;
- 891 (ii) a biomass system;
- 892 (iii) a direct use geothermal system;
- 893 (iv) a geothermal heat pump system;

- 894 (v) a hydroenergy system;
- 895 (vi) a passive solar system; or
- 896 (vii) a wind system.
- 897 (m) (i) "Residential unit" means a house, condominium, apartment, or similar dwelling
- 898 unit that:
 - 899 (A) is located in the state; and
 - 900 (B) serves as a dwelling for a person, group of persons, or a family.
- 901 (ii) "Residential unit" does not include property subject to a fee under:
 - 902 (A) Section 59-2-405;
 - 903 (B) Section 59-2-405.1;
 - 904 (C) Section 59-2-405.2;
 - 905 (D) Section 59-2-405.3; or
 - 906 (E) Section 72-10-110.5.
- 907 (n) "Wind system" means a system of apparatus and equipment that is capable of:
 - 908 (i) intercepting and converting wind energy into mechanical or electrical energy; and
 - 909 (ii) transferring these forms of energy by a separate apparatus to the point of use or
 - 910 storage.
- 911 (2) A claimant, estate, or trust may claim an energy system tax credit as provided in
- 912 this section against a tax due under this chapter for a taxable year.
- 913 (3) For a taxable year beginning on or after January 1, 2007, a claimant, estate, or trust
- 914 may claim a nonrefundable tax credit under this section with respect to a residential unit the
- 915 claimant, estate, or trust owns or uses if:
 - 916 (a) the claimant, estate, or trust:
 - 917 (i) purchases and completes a residential energy system to supply all or part of the
 - 918 energy required for the residential unit; or
 - 919 (ii) participates in the financing of a residential energy system to supply all or part of
 - 920 the energy required for the residential unit;
 - 921 (b) the residential energy system is installed on or after January 1, 2007; and
 - 922 (c) the claimant, estate, or trust obtains a written certification from the office in
 - 923 accordance with Subsection (5).
- 924 (4) (a) For a residential energy system, other than a photovoltaic system, the tax credit

925 described in this section is equal to the lesser of:

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

929 (ii) \$2,000.

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

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

934 (ii) (A) for a system installed on or after January 1, 2007, but on or before December
935 31, 2017, \$2,000;

936 (B) for a system installed on or after January 1, 2018, but on or before December 31,
937 2020, \$1,600;

938 (C) for a system installed on or after January 1, 2021, but on or before December 31,
939 2021, \$1,200;

940 (D) for a system installed on or after January 1, 2022, but on or before December 31,
941 2022, \$800;

942 (E) for a system installed on or after January 1, 2023, but on or before December 31,
943 2023, \$400; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

987 (A) has been completely installed;

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

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

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

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

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

999 (d) A claimant, estate, or trust that obtains a written certification from the office shall
1000 retain the certification for the same time period a person is required to keep books and records
1001 under Section [59-1-1406](#).

1002 (e) The office shall submit to the commission an electronic list that includes:

1003 (i) the name and identifying information of each claimant, estate, or trust to which the
1004 office issues a written certification; and

1005 (ii) for each claimant, estate, or trust:

1006 (A) the amount of the tax credit listed on the written certification; and

1007 (B) the date the renewable energy system was installed.

1008 (6) A tax credit under this section is in addition to any tax credits provided under the
1009 laws or rules and regulations of the United States.

1010 ~~[(7) A purchaser of one or more solar units that claims a tax credit under Section~~
1011 ~~[59-10-1024](#) for the purchase of the one or more solar units may not claim a tax credit under this~~
1012 ~~section for that purchase.]~~

1013 Section 11. Section **59-10-1106** is amended to read:

1014 **59-10-1106. Refundable renewable energy systems tax credits -- Definitions --**

1015 **Certification -- Rulemaking authority.**

1016 (1) As used in this section:

1017 (a) "Active solar system" means the same as that term is defined in Section

- 1018 59-10-1014.
- 1019 (b) "Biomass system" means the same as that term is defined in Section 59-10-1014.
- 1020 (c) "Commercial energy system" means the same as that term is defined in Section
- 1021 59-7-614.
- 1022 (d) "Commercial enterprise" means the same as that term is defined in Section
- 1023 59-7-614.
- 1024 (e) "Commercial unit" means the same as that term is defined in Section 59-7-614.
- 1025 (f) "Direct use geothermal system" means the same as that term is defined in Section
- 1026 59-10-1014.
- 1027 (g) "Geothermal electricity" means the same as that term is defined in Section
- 1028 59-10-1014.
- 1029 (h) "Geothermal energy" means the same as that term is defined in Section 59-10-1014.
- 1030 (i) "Geothermal heat pump system" means the same as that term is defined in Section
- 1031 59-10-1014.
- 1032 (j) "Hydroenergy system" means the same as that term is defined in Section
- 1033 59-10-1014.
- 1034 (k) "Hydrogen production system" means the same as that term is defined in Section
- 1035 59-7-614.
- 1036 (l) "Office" means the Office of Energy Development created in Section 79-6-401.
- 1037 (m) "Passive solar system" means the same as that term is defined in Section
- 1038 59-10-1014.
- 1039 (n) "Principal recovery portion" means the same as that term is defined in Section
- 1040 59-10-1014.
- 1041 (o) "Wind system" means the same as that term is defined in Section 59-10-1014.
- 1042 (2) A claimant, estate, or trust may claim an energy system tax credit as provided in
- 1043 this section against a tax due under this chapter for a taxable year.
- 1044 (3) (a) Subject to the other provisions of this Subsection (3), a claimant, estate, or trust
- 1045 may claim a refundable tax credit under this Subsection (3) with respect to a commercial
- 1046 energy system if:
- 1047 (i) the commercial energy system does not use:
- 1048 (A) wind, geothermal electricity~~[, solar]~~, or biomass equipment capable of producing a

1049 total of 660 or more kilowatts of electricity; or
1050 (B) solar equipment capable of producing 2,000 or more kilowatts of electricity;
1051 (ii) the claimant, estate, or trust purchases or participates in the financing of the
1052 commercial energy system;
1053 (iii) (A) the commercial energy system supplies all or part of the energy required by
1054 commercial units owned or used by the claimant, estate, or trust; or
1055 (B) the claimant, estate, or trust sells all or part of the energy produced by the
1056 commercial energy system as a commercial enterprise;
1057 (iv) the claimant, estate, or trust has not claimed and will not claim a tax credit under
1058 Subsection (6) for hydrogen production using electricity for which the claimant, estate, or trust
1059 claims a tax credit under this Subsection (3); and
1060 (v) the claimant, estate, or trust obtains a written certification from the office in
1061 accordance with Subsection (7).
1062 (b) (i) Subject to Subsections (3)(b)(ii) through (iv), the tax credit is equal to 10% of
1063 the reasonable costs of the commercial energy system.
1064 (ii) A tax credit under this Subsection (3) may include installation costs.
1065 (iii) A claimant, estate, or trust is eligible to claim a tax credit under this Subsection (3)
1066 for the taxable year in which the commercial energy system is completed and placed in service.
1067 (iv) The total amount of tax credit a claimant, estate, or trust may claim under this
1068 Subsection (3) may not exceed \$50,000 per commercial unit.
1069 (c) (i) Subject to Subsections (3)(c)(ii) and (iii), a claimant, estate, or trust that is a
1070 lessee of a commercial energy system installed on a commercial unit may claim a tax credit
1071 under this Subsection (3) if the claimant, estate, or trust confirms that the lessor irrevocably
1072 elects not to claim the tax credit.
1073 (ii) A claimant, estate, or trust described in Subsection (3)(c)(i) may claim as a tax
1074 credit under this Subsection (3) only the principal recovery portion of the lease payments.
1075 (iii) A claimant, estate, or trust described in Subsection (3)(c)(i) may claim a tax credit
1076 under this Subsection (3) for a period that does not exceed seven taxable years after the day on
1077 which the lease begins, as stated in the lease agreement.
1078 (4) (a) Subject to the other provisions of this Subsection (4), a claimant, estate, or trust
1079 may claim a refundable tax credit under this Subsection (4) with respect to a commercial

1080 energy system if:

1081 (i) the commercial energy system uses wind, geothermal electricity, or biomass
1082 equipment capable of producing a total of 660 or more kilowatts of electricity;

1083 (ii) (A) the commercial energy system supplies all or part of the energy required by
1084 commercial units owned or used by the claimant, estate, or trust; or

1085 (B) the claimant, estate, or trust sells all or part of the energy produced by the
1086 commercial energy system as a commercial enterprise;

1087 (iii) the claimant, estate, or trust has not claimed and will not claim a tax credit under
1088 Subsection (6) for hydrogen production using electricity for which the claimant, estate, or trust
1089 claims a tax credit under this Subsection (4); and

1090 (iv) the claimant, estate, or trust obtains a written certification from the office in
1091 accordance with Subsection (7).

1092 (b) (i) Subject to Subsection (4)(b)(ii), a tax credit under this Subsection (4) is equal to
1093 the product of:

1094 (A) 0.35 cents; and

1095 (B) the kilowatt hours of electricity produced and used or sold during the taxable year.

1096 (ii) A claimant, estate, or trust is eligible to claim a tax credit under this Subsection (4)
1097 for production occurring during a period of 48 months beginning with the month in which the
1098 commercial energy system is placed in commercial service.

1099 (c) A claimant, estate, or trust that is a lessee of a commercial energy system installed
1100 on a commercial unit may claim a tax credit under this Subsection (4) if the claimant, estate, or
1101 trust confirms that the lessor irrevocably elects not to claim the tax credit.

1102 (5) (a) Subject to the other provisions of this Subsection (5), a claimant, estate, or trust
1103 may claim a refundable tax credit as provided in this Subsection (5) if:

1104 (i) the claimant, estate, or trust owns a commercial energy system that uses solar
1105 equipment capable of producing a total of [~~660~~] 2,000 or more kilowatts of electricity;

1106 (ii) (A) the commercial energy system supplies all or part of the energy required by
1107 commercial units owned or used by the claimant, estate, or trust; or

1108 (B) the claimant, estate, or trust sells all or part of the energy produced by the
1109 commercial energy system as a commercial enterprise;

1110 (iii) the claimant, estate, or trust does not claim a tax credit under Subsection (3);

1111 (iv) the claimant, estate, or trust has not claimed and will not claim a tax credit under
1112 Subsection (6) for hydrogen production using electricity for which a taxpayer claims a tax
1113 credit under this Subsection (5); and

1114 (v) the claimant, estate, or trust obtains a written certification from the office in
1115 accordance with Subsection (7).

1116 (b) (i) Subject to Subsection (5)(b)(ii), a tax credit under this Subsection (5) is equal to
1117 the product of:

1118 (A) 0.35 cents; and

1119 (B) the kilowatt hours of electricity produced and used or sold during the taxable year.

1120 (ii) A claimant, estate, or trust is eligible to claim a tax credit under this Subsection (5)
1121 for production occurring during a period of 48 months beginning with the month in which the
1122 commercial energy system is placed in commercial service.

1123 (c) A claimant, estate, or trust that is a lessee of a commercial energy system installed
1124 on a commercial unit may claim a tax credit under this Subsection (5) if the claimant, estate, or
1125 trust confirms that the lessor irrevocably elects not to claim the tax credit.

1126 (6) (a) A claimant, estate, or trust may claim a refundable tax credit as provided in this
1127 Subsection (6) if:

1128 (i) the claimant, estate, or trust owns a hydrogen production system;

1129 (ii) the hydrogen production system is completed and placed in service on or after
1130 January 1, 2022;

1131 (iii) the claimant, estate, or trust sells as a commercial enterprise, or supplies for the
1132 claimant's, estate's, or trust's own use in commercial units, the hydrogen produced from the
1133 hydrogen production system;

1134 (iv) the claimant, estate, or trust has not claimed and will not claim a tax credit under
1135 Subsection (3), (4), or (5) for electricity used to meet the requirements of this Subsection (6);
1136 and

1137 (v) the claimant, estate, or trust obtains a written certification from the office in
1138 accordance with Subsection (7).

1139 (b) (i) Subject to Subsections (6)(b)(ii) and (iii), a tax credit under this Subsection (6)
1140 is equal to the product of:

1141 (A) \$0.12; and

- 1142 (B) the number of kilograms of hydrogen produced during the taxable year.
- 1143 (ii) A claimant, estate, or trust may not receive a tax credit under this Subsection (6) for
1144 more than 5,600 metric tons of hydrogen per taxable year.
- 1145 (iii) A claimant, estate, or trust is eligible to claim a tax credit under this Subsection (6)
1146 for production occurring during a period of 48 months beginning with the month in which the
1147 hydrogen production system is placed in commercial service.
- 1148 (7) (a) Before a claimant, estate, or trust may claim a tax credit under this section, the
1149 claimant, estate, or trust shall obtain a written certification from the office.
- 1150 (b) The office shall issue a claimant, estate, or trust a written certification if the office
1151 determines that:
- 1152 (i) the claimant, estate, or trust meets the requirements of this section to receive a tax
1153 credit; and
- 1154 (ii) the commercial energy system or the hydrogen production system with respect to
1155 which the claimant, estate, or trust seeks to claim a tax credit:
- 1156 (A) has been completely installed;
- 1157 (B) is a viable system for saving or producing energy from renewable resources; and
- 1158 (C) is safe, reliable, efficient, and technically feasible to ensure that the commercial
1159 energy system or the hydrogen production system uses the state's renewable and nonrenewable
1160 resources in an appropriate and economic manner.
- 1161 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1162 office may make rules:
- 1163 (i) for determining whether a commercial energy system or a hydrogen production
1164 system meets the requirements of Subsection (7)(b)(ii); and
- 1165 (ii) for purposes of a tax credit under Subsection (3), establishing the reasonable costs
1166 of a commercial energy system, as an amount per unit of energy production.
- 1167 (d) A claimant, estate, or trust that obtains a written certification from the office shall
1168 retain the certification for the same time period a person is required to keep books and records
1169 under Section [59-1-1406](#).
- 1170 (e) The office shall submit to the commission an electronic list that includes:
- 1171 (i) the name and identifying information of each claimant, estate, or trust to which the
1172 office issues a written certification; and

1173 (ii) for each claimant, estate, or trust:

1174 (A) the amount of the tax credit listed on the written certification; and

1175 (B) the date the commercial energy system or the hydrogen production system was
1176 installed.

1177 (8) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1178 commission may make rules to address the certification of a tax credit under this section.

1179 (9) A tax credit under this section is in addition to any tax credits provided under the
1180 laws or rules and regulations of the United States.

1181 ~~[(10) A purchaser of one or more solar units that claims a tax credit under Section~~
1182 ~~59-10-1024 for the purchase of the one or more solar units may not claim a tax credit under this~~
1183 ~~section for that purchase.]~~

1184 Section 12. Section **63N-8-105** is amended to read:

1185 **63N-8-105. Annual report.**

1186 The office shall include the following information in the annual written report described
1187 in Section **63N-1a-306**:

1188 (1) the office's success in attracting within-the-state production of television series,
1189 made-for-television movies, and motion pictures, including feature films and independent
1190 films;

1191 (2) the amount of incentive commitments made by the office under this part and the
1192 period of time over which the incentives will be paid; and

1193 (3) the economic impact on the state related to:

1194 (a) dollars left in the state; ~~and]~~

1195 (b) new state revenues generated by a motion picture company or a digital media
1196 company for each state-approved production; and

1197 ~~[(b)]~~ (c) providing motion picture incentives under this part.

1198 Section 13. Section **79-6-401** is amended to read:

1199 **79-6-401. Office of Energy Development -- Creation -- Director -- Purpose --**
1200 **Rulemaking regarding confidential information -- Fees -- Transition for employees.**

1201 (1) There is created an Office of Energy Development in the Department of Natural
1202 Resources.

1203 (2) (a) The energy advisor shall serve as the director of the office or, on or before June

1204 30, 2029, appoint a director of the office.

1205 (b) The director:

1206 (i) shall, if the energy advisor appoints a director under Subsection (2)(a), report to the
1207 energy advisor; and

1208 (ii) may appoint staff as funding within existing budgets allows.

1209 (c) The office may consolidate energy staff and functions existing in the state energy
1210 program.

1211 (3) The purposes of the office are to:

1212 (a) serve as the primary resource for advancing energy and mineral development in the
1213 state;

1214 (b) implement:

1215 (i) the state energy policy under Section 79-6-301; and

1216 (ii) the governor's energy and mineral development goals and objectives;

1217 (c) advance energy education, outreach, and research, including the creation of
1218 elementary, higher education, and technical college energy education programs;

1219 (d) promote energy and mineral development workforce initiatives; and

1220 (e) support collaborative research initiatives targeted at Utah-specific energy and
1221 mineral development.

1222 (4) By following the procedures and requirements of Title 63J, Chapter 5, Federal
1223 Funds Procedures Act, the office may:

1224 (a) seek federal grants or loans;

1225 (b) seek to participate in federal programs; and

1226 (c) in accordance with applicable federal program guidelines, administer federally
1227 funded state energy programs.

1228 (5) The office shall perform the duties required by Sections 11-42a-106, 59-5-102,
1229 [~~59-7-614.7, 59-10-1029~~], and 63C-26-202[~~, Part 5, Alternative Energy Development Tax~~
1230 ~~Credit Act,~~] and Part 6, High Cost Infrastructure Development Tax Credit Act.

1231 (6) (a) For purposes of administering this section, the office may make rules, by
1232 following Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to maintain as
1233 confidential, and not as a public record, information that the office receives from any source.

1234 (b) The office shall maintain information the office receives from any source at the

1235 level of confidentiality assigned by the source.

1236 (7) The office may charge application, filing, and processing fees in amounts
1237 determined by the office in accordance with Section 63J-1-504 as dedicated credits for
1238 performing office duties described in this part.

1239 (8) (a) An employee of the office is an at-will employee.

1240 (b) For an employee of the office on July 1, 2021, the employee shall have the same
1241 salary and benefit options the employee had when the office was part of the office of the
1242 governor.

1243 Section 14. **Repealer.**

1244 This bill repeals:

1245 Section 59-7-614.7, **Nonrefundable alternative energy development tax credit.**

1246 Section 59-10-1024, **Nonrefundable tax credit for qualifying solar projects.**

1247 Section 59-10-1025, **Nonrefundable tax credit for investment in certain life science**
1248 **establishments.**

1249 Section 59-10-1029, **Nonrefundable alternative energy development tax credit.**

1250 Section 63N-2-801, **Title.**

1251 Section 63N-2-802, **Definitions.**

1252 Section 63N-2-803, **Tax credits issued by office.**

1253 Section 63N-2-804, **Person may not claim or pass through a tax credit without tax**
1254 **credit certificate.**

1255 Section 63N-2-805, **Application process.**

1256 Section 63N-2-806, **Criteria for tax credits.**

1257 Section 63N-2-807, **Rulemaking authority.**

1258 Section 63N-2-808, **Agreements between office and tax credit applicant and life**
1259 **science establishment -- Tax credit certificate.**

1260 Section 63N-2-809, **Issuance of tax credit certificates.**

1261 Section 63N-2-810, **Reports on tax credit certificates.**

1262 Section 63N-2-811, **Reports of tax credits.**

1263 Section 79-6-501, **Title.**

1264 Section 79-6-502, **Definitions.**

1265 Section 79-6-503, **Tax credits.**

1266 Section [79-6-504](#), **Qualifications for tax credit -- Procedure.**

1267 Section [79-6-505](#), **Report to the Legislature.**

1268 Section 15. **Effective date.**

1269 (1) Except as provided in Subsections(2) and (3), this bill takes effect on January 1,

1270 2024.

1271 (2) The actions affecting the following sections take effect on May 3, 2023:

1272 (a) Section [59-7-159](#); and

1273 (b) Section [59-10-137](#).

1274 (3) The actions affecting the following sections take effect for a taxable year beginning

1275 on or after January 1, 2024:

1276 (a) Section [59-7-609](#);

1277 (b) Section [59-7-610](#);

1278 (c) Section [59-7-614](#);

1279 (d) Section [59-7-614.7](#);

1280 (e) Section [59-10-1002.2](#);

1281 (f) Section [59-10-1006](#);

1282 (g) Section [59-10-1007](#);

1283 (h) Section [59-10-1014](#);

1284 (i) Section [59-10-1024](#);

1285 (j) Section [59-10-1025](#);

1286 (k) Section [59-10-1029](#); and

1287 (l) Section [59-10-1106](#).