

**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

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**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- 27 ▶ modifies reporting and study requirements related to repealed income tax credits;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 to eliminate the expenditures credit;
  - 34 ▶ clarifies the production capacity requirements for solar equipment to be eligible for
  - 35 the renewable energy systems tax credits;
  - 36 ▶ requires the Governor's Office of Economic Opportunity to report in the annual
  - 37 report the amount of new state revenue generated from motion picture projects
  - 38 within the state;
  - 39 ▶ repeals the following individual income tax credits:
    - 40 • qualifying solar projects; and
    - 41 • investment in life sciences establishments;
  - 42 ▶ repeals the Technology and Life Science Economic Development Act;
  - 43 ▶ repeals the corporate and individual alternative energy development tax credits;
  - 44 ▶ repeals the Alternative Energy Development Tax Credit Act; and
  - 45 ▶ makes technical and conforming changes.

46 **Money Appropriated in this Bill:**

47 None

48 **Other Special Clauses:**

49 This bill provides a special effective date.

50 **Utah Code Sections Affected:**

51 AMENDS:

52 [59-7-159](#), as last amended by Laws of Utah 2022, Chapters 264, 274

53 [59-7-610](#), as last amended by Laws of Utah 2021, Chapter 367

54 [59-7-614](#), as last amended by Laws of Utah 2022, Chapter 274

55 [59-10-137](#), as last amended by Laws of Utah 2022, Chapter 264

56 [59-10-1002.2](#), as last amended by Laws of Utah 2022, Chapter 12

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

62 ENACTS:

- 63 [59-1-214](#), Utah Code Annotated 1953

64 REPEALS AND REENACTS:

- 65 [59-7-609](#), as enacted by Laws of Utah 1995, Chapter 42
- 66 [59-10-1006](#), as renumbered and amended by Laws of Utah 2006, Chapter 223

67 REPEALS:

- 68 [59-7-614.7](#), as last amended by Laws of Utah 2021, Chapter 280
- 69 [59-10-1024](#), as last amended by Laws of Utah 2021, Chapter 280
- 70 [59-10-1025](#), as last amended by Laws of Utah 2019, Chapter 465
- 71 [59-10-1029](#), as last amended by Laws of Utah 2021, Chapter 280
- 72 [63N-2-801](#), as renumbered and amended by Laws of Utah 2015, Chapter 283
- 73 [63N-2-802](#), as last amended by Laws of Utah 2016, Chapter 354
- 74 [63N-2-803](#), as last amended by Laws of Utah 2016, Chapter 354
- 75 [63N-2-804](#), as renumbered and amended by Laws of Utah 2015, Chapter 283
- 76 [63N-2-805](#), as renumbered and amended by Laws of Utah 2015, Chapter 283
- 77 [63N-2-806](#), as last amended by Laws of Utah 2016, Chapter 354
- 78 [63N-2-807](#), as renumbered and amended by Laws of Utah 2015, Chapter 283
- 79 [63N-2-808](#), as last amended by Laws of Utah 2021, Chapter 282
- 80 [63N-2-809](#), as renumbered and amended by Laws of Utah 2015, Chapter 283
- 81 [63N-2-810](#), as last amended by Laws of Utah 2022, Chapter 362
- 82 [63N-2-811](#), as last amended by Laws of Utah 2021, Chapter 382
- 83 [79-6-501](#), as renumbered and amended by Laws of Utah 2021, Chapter 280
- 84 [79-6-502](#), as renumbered and amended by Laws of Utah 2021, Chapter 280
- 85 [79-6-503](#), as last amended by Laws of Utah 2021, Chapter 64 and renumbered and
- 86 amended by Laws of Utah 2021, Chapter 280
- 87 [79-6-504](#), as renumbered and amended by Laws of Utah 2021, Chapter 280

88 [79-6-505](#), as last amended by Laws of Utah 2022, Chapter 68

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

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

92 **59-1-214. Disclosure of tax credit recipients.**

93 (1) As used in this section:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

119 **59-7-159. Review of credits allowed under this chapter.**

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

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

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

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

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

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

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

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

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

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

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

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

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

145 (c) The committee shall prepare legislation for consideration by the Legislature at the  
146 next general session recommending specific performance metrics or reporting requirements for  
147 any tax credit that the committee determines meets the requirement described in Subsection  
148 (2)(b)(v).

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

150 committee shall conduct the review required under Subsection (2) of the tax credits allowed  
151 under the following sections:

- 152 (i) Section 59-7-601;
- 153 (ii) Section 59-7-607;
- 154 (iii) Section 59-7-612;
- 155 (iv) Section 59-7-614.1; and
- 156 (v) Section 59-7-614.5.

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

- 160 (i) Section 59-7-609;
- 161 (ii) Section 59-7-614.2;
- 162 (iii) Section 59-7-614.10; and
- 163 (iv) Section 59-7-619.

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

- 167 (i) Section 59-7-610; and
- 168 (ii) Section 59-7-614[~~;~~and].
- 169 [~~(iii) Section 59-7-614.7.~~]

170 (d) (i) In addition to the reviews described in this Subsection (3), the committee shall  
171 conduct a review of a tax credit described in this chapter that is enacted on or after January 1,  
172 2017.

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

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

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

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

180 (c) if the committee makes a recommendation for improving the process for issuing a

181 tax credit described in Section 59-7-612, prepare legislation for consideration by the  
182 Legislature at the next general session.

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

184 **59-7-609. Historic preservation credit.**

185 (1) As used in this section:

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

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

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

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

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

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

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

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

197 (A) the taxpayer's personal labor;

198 (B) cost of acquisition of the property;

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

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

201 Subsection (3)(a)(i);

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

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

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

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

209 (a) the qualified rehabilitation expenditures cost more than \$10,000;

210 (b) the qualified rehabilitation expenditures are incurred in connection with a  
211 residential certified historic building; and

212 (c) the taxpayer has a written tax credit certificate issued by the office in accordance  
213 with Subsection (3).

214 (3) (a) The office shall issue a tax credit certificate if the office:

215 (i) approves all rehabilitation work for which a taxpayer may claim a tax credit as  
216 meeting the Secretary of the Interior's Standards for Rehabilitation before completion of the  
217 rehabilitation project so that the office can provide corrective comments to the taxpayer to  
218 preserve the historic qualities of the building;

219 (ii) determines that the rehabilitation project conforms with the approved rehabilitation  
220 work; and

221 (iii) verifies the property is a residential certified historic building and the amount of  
222 the taxpayer's qualified rehabilitation expenditures.

223 (b) The tax credit certificate shall list the amount of the tax credit that the taxpayer is  
224 eligible to claim.

225 (c) A taxpayer that receives a tax credit certificate under this section shall retain the tax  
226 credit certificate for the same time period a person is required to keep books and records under  
227 Section [59-1-1406](#).

228 (d) The office shall provide the commission with an electronic report that includes for  
229 each taxpayer to which the office issued a tax credit certificate under this section for a taxable  
230 year:

231 (i) the name of the taxpayer;

232 (ii) the identifying information of the taxpayer; and

233 (iii) the amount of tax credit that the taxpayer is eligible to claim.

234 (4) A taxpayer may carry forward the amount of the tax credit that exceeds the  
235 taxpayer's tax liability for five taxable years after the year in which the taxpayer claims a tax  
236 credit under this section.

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

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

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

242 **59-7-610. Recycling market development zones tax credits.**



243 (1) Subject to other provisions of this section, a taxpayer that is a business operating in  
244 a recycling market development zone as defined in Section 19-13-102 may claim ~~the~~  
245 following nonrefundable tax credits:]

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

249 ~~[(i)]~~ (a) commercial composting; or

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

251 ~~[(A)]~~ (i) manufacture, process, compound, or produce recycled items of tangible  
252 personal property for sale; or

253 ~~[(B)]~~ (ii) reduce or reuse postconsumer waste material~~[-and]~~.

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

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

258 ~~[(ii)]~~ \$2,000.]

259 (2) (a) To claim a tax credit described in Subsection (1), the taxpayer shall receive  
260 from the Department of Environmental Quality a written certification, on a form approved by  
261 the commission, that includes:

262 (i) a statement that the taxpayer is operating a business within the boundaries of a  
263 recycling market development zone;

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

265 ~~[(A)]~~ (ii) the type of the machinery and equipment that the taxpayer purchased;

266 ~~[(B)]~~ (iii) the date that the taxpayer purchased the machinery and equipment;

267 ~~[(C)]~~ (iv) the purchase price for ~~the~~ each item of machinery and equipment;

268 ~~[(D)]~~ (v) the total purchase price for all machinery and equipment for which the  
269 taxpayer is claiming a tax credit;

270 ~~[(E)]~~ (vi) a statement that the machinery and equipment are integral to the composting  
271 or recycling process; and

272 ~~[(F)]~~ (vii) the amount of the taxpayer's tax credit~~[-and]~~.

273 ~~[(iii)]~~ for a claim of the tax credit described in Subsection (1)(b):]

274 [~~(A) the type of net expenditure that the taxpayer made to a third party;~~  
275 [~~(B) the date that the taxpayer made the payment to a third party;~~  
276 [~~(C) the amount that the taxpayer paid to each third party;~~  
277 [~~(D) the total amount that the taxpayer paid to all third parties;~~  
278 [~~(E) a statement that the net expenditures support the establishment and operation of~~  
279 ~~recycling or composting technology in the state; and]~~

280 [~~(F) the amount of the taxpayer's tax credit.]~~

281 (b) (i) The Department of Environmental Quality shall provide a taxpayer seeking to  
282 claim a tax credit under Subsection (1) with a copy of the written certification.

283 (ii) The taxpayer shall retain a copy of the written certification for the same period of  
284 time that a person is required to keep books and records under Section [59-1-1406](#).

285 (c) The Department of Environmental Quality shall submit to the commission an  
286 electronic list that includes:

287 (i) the name and identifying information of each taxpayer to which the Department of  
288 Environmental Quality issues a written certification; and

289 (ii) for each taxpayer, the amount of each tax credit listed on the written certification.

290 (3) A taxpayer may not claim a tax credit [~~under Subsection (1)(a), Subsection (1)(b),~~  
291 ~~or both]~~ that exceeds 40% of the taxpayer's state income tax liability as the tax liability is  
292 calculated:

293 (a) for the taxable year in which the taxpayer made the purchases [~~or payments~~];

294 (b) before any other tax credits the taxpayer may claim for the taxable year; and

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

296 (4) The commission shall make rules governing what information a taxpayer shall file  
297 with the commission to verify the entitlement to and amount of a tax credit.

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

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

304 [~~(7) A taxpayer may not claim a tax credit described in Subsection (1)(b) in a taxable~~

305 year during which the taxpayer claims or carries forward a tax credit under Section  
306 [63N-2-213](#).]

307 [(8)] (7) A taxpayer may not claim or carry forward a tax credit under this section for a  
308 taxable year during which the taxpayer claims the targeted business income tax credit under  
309 Section [59-7-624](#).

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

311 **59-7-614. Renewable energy systems tax credits -- Definitions -- Certification --**  
312 **Rulemaking authority.**

313 (1) As used in this section:

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

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

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

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

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

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

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

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

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

326 (B) a biomass system;

327 (C) a direct use geothermal system;

328 (D) a geothermal electricity system;

329 (E) a geothermal heat pump system;

330 (F) a hydroenergy system;

331 (G) a passive solar system; or

332 (H) a wind system;

333 (ii) located in the state; and

334 (iii) used:

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

336 (B) as a commercial enterprise.

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

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

339 or

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

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

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

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

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

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

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

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

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

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

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

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

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

360 (j) "Hydroenergy system" means a system of apparatus and equipment that is capable  
361 of:

362 (i) intercepting and converting kinetic water energy into electrical or mechanical  
363 energy; and

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

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

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

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

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

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

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

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

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

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

383 (A) an interest charge; or

384 (B) a maintenance expense.

385 (p) "Renewable energy source" means the same as that term is defined in Section  
386 [54-17-601](#).

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

389 (i) an active solar system;

390 (ii) a biomass system;

391 (iii) a direct use geothermal system;

392 (iv) a geothermal heat pump system;

393 (v) a hydroenergy system;

394 (vi) a passive solar system; or

395 (vii) a wind system.

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

- 398 (A) is located in the state; and
- 399 (B) serves as a dwelling for a person, group of persons, or a family.
- 400 (ii) "Residential unit" does not include property subject to a fee under:
  - 401 (A) Section 59-2-405;
  - 402 (B) Section 59-2-405.1;
  - 403 (C) Section 59-2-405.2;
  - 404 (D) Section 59-2-405.3; or
  - 405 (E) Section 72-10-110.5.
- 406 (s) "Wind system" means a system of apparatus and equipment that is capable of:
  - 407 (i) intercepting and converting wind energy into mechanical or electrical energy; and
  - 408 (ii) transferring these forms of energy by a separate apparatus to the point of use, sale,
  - 409 or storage.
- 410 (2) A taxpayer may claim an energy system tax credit as provided in this section
- 411 against a tax due under this chapter for a taxable year.
- 412 (3) (a) Subject to the other provisions of this Subsection (3), a taxpayer may claim a
- 413 nonrefundable tax credit under this Subsection (3) with respect to a residential unit the taxpayer
- 414 owns or uses if:
  - 415 (i) the taxpayer:
    - 416 (A) purchases and completes a residential energy system to supply all or part of the
    - 417 energy required for the residential unit; or
    - 418 (B) participates in the financing of a residential energy system to supply all or part of
    - 419 the energy required for the residential unit; and
  - 420 (ii) the taxpayer obtains a written certification from the office in accordance with
  - 421 Subsection (8).
  - 422 (b) (i) Subject to Subsections (3)(b)(ii) through (iv) and, as applicable, Subsection
  - 423 (3)(c) or (d), the tax credit is equal to 25% of the reasonable costs of each residential energy
  - 424 system installed with respect to each residential unit the taxpayer owns or uses.
  - 425 (ii) A tax credit under this Subsection (3) may include installation costs.
  - 426 (iii) A taxpayer may claim a tax credit under this Subsection (3) for the taxable year in
  - 427 which the residential energy system is completed and placed in service.
  - 428 (iv) If the amount of a tax credit under this Subsection (3) exceeds a taxpayer's tax

429 liability under this chapter for a taxable year, the taxpayer may carry forward the amount of the  
430 tax credit exceeding the liability for a period that does not exceed the next four taxable years.

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

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

436 (i) for a system installed on or after January 1, 2018, but on or before December 31,  
437 2020, \$1,600;

438 (ii) for a system installed on or after January 1, 2021, but on or before December 31,  
439 2021, \$1,200;

440 (iii) for a system installed on or after January 1, 2022, but on or before December 31,  
441 2022, \$800;

442 (iv) for a system installed on or after January 1, 2023, but on or before December 31,  
443 2023, \$400; and

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

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

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

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

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

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

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

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

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

460 (ii) the taxpayer purchases or participates in the financing of the commercial energy  
461 system;

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

502 (A) 0.35 cents; and

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

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

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

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

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

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

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

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

521 (iv) the taxpayer obtains a written certification from the office in accordance with

522 Subsection (8).

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

525 (A) 0.35 cents; and

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

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

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

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

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

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

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

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

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

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

547 (A) \$0.12; and

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

549 (ii) A taxpayer may not receive a tax credit under this Subsection (7) for more than  
550 5,600 metric tons of hydrogen per taxable year.

551 (iii) A taxpayer is eligible to claim a tax credit under this Subsection (7) for production  
552 occurring during a period of 48 months beginning with the month in which the hydrogen

553 production system is placed in commercial service.

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

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

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

558 (ii) the residential energy system, the commercial energy system, or the hydrogen

559 production system with respect to which the taxpayer seeks to claim a tax credit:

560 (A) has been completely installed;

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

562 (C) is safe, reliable, efficient, and technically feasible to ensure that the residential

563 energy system, the commercial energy system, or the hydrogen production system uses the

564 state's renewable and nonrenewable energy resources in an appropriate and economic manner.

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

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

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

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

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

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

578 (ii) for each taxpayer:

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

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

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

583 (10) A tax credit under this section is in addition to any tax credits provided under the

584 laws or rules and regulations of the United States.

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

586 **59-10-137. Review of credits allowed under this chapter.**

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

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

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

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

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

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

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

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

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

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

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

607 (v) evaluate whether performance metrics or reporting requirements for the tax credit  
608 would improve the committee's evaluation of the benefits to the claimant, estate, or trust and  
609 the state from the tax credit; and

610 [~~(v)~~] (vi) undertake other review efforts as determined by the committee chairs or as  
611 otherwise required by law.

612 (c) The committee shall prepare legislation for consideration by the Legislature at the  
613 next general session recommending specific performance metrics or reporting requirements for  
614 any tax credit that the committee determines meets the requirement described in Subsection

615 (2)(b)(v).

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

- 619 (i) Section 59-10-1004;
- 620 (ii) Section 59-10-1010;
- 621 (iii) Section 59-10-1015;
- 622 [~~(iv) Section 59-10-1025;~~]
- 623 [~~(v)] (iv) Section 59-10-1027;~~
- 624 [~~(vi)] (v) Section 59-10-1031;~~
- 625 [~~(vii)] (vi) Section 59-10-1032;~~
- 626 [~~(viii)] (vii) Section 59-10-1035;~~
- 627 [~~(ix)] (viii) Section 59-10-1104;~~
- 628 [~~(x)] (ix) Section 59-10-1105; and~~
- 629 [~~(xi)] (x) Section 59-10-1108.~~

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

- 633 (i) Section 59-10-1005;
- 634 (ii) Section 59-10-1006;
- 635 (iii) Section 59-10-1012;
- 636 (iv) Section 59-10-1022;
- 637 (v) Section 59-10-1023;
- 638 (vi) Section 59-10-1028;
- 639 (vii) Section 59-10-1034;
- 640 (viii) Section 59-10-1037; and
- 641 (ix) Section 59-10-1107.

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

- 645 (i) Section 59-10-1007;

- 646 (ii) Section 59-10-1014;
- 647 (iii) Section 59-10-1017;
- 648 (iv) Section 59-10-1018;
- 649 (v) Section 59-10-1019;
- 650 [~~(vi) Section 59-10-1024;~~]
- 651 [~~(vii) Section 59-10-1029;~~]
- 652 [~~(viii)~~ (vi) Section 59-10-1036;
- 653 [~~(ix)~~ (vii) Section 59-10-1106; and
- 654 [~~(x)~~ (viii) Section 59-10-1111.

655 (d) (i) In addition to the reviews described in this Subsection (3), the committee shall  
656 conduct a review of a tax credit described in this chapter that is enacted on or after January 1,  
657 2017.

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

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

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

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

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

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

669 **59-10-1002.2. Apportionment of tax credits.**

670 (1) A nonresident individual or a part-year resident individual that claims a tax credit  
671 in accordance with Section 59-10-1017, 59-10-1018, 59-10-1019, 59-10-1022, 59-10-1023[;  
672 ~~59-10-1024~~], 59-10-1028, 59-10-1042, 59-10-1043, or 59-10-1044 may only claim an  
673 apportioned amount of the tax credit equal to:

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

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

676 (ii) the amount of the tax credit that the nonresident individual would have been

677 allowed to claim but for the apportionment requirements of this section; or

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

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

680 (ii) the amount of the tax credit that the part-year resident individual would have been

681 allowed to claim but for the apportionment requirements of this section.

682 (2) A nonresident estate or trust that claims a tax credit in accordance with Section

683 [59-10-1017](#), [59-10-1020](#), [59-10-1022](#)~~[[59-10-1024](#)]~~, or [59-10-1028](#) may only claim an

684 apportioned amount of the tax credit equal to the product of:

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

686 (b) the amount of the tax credit that the nonresident estate or trust would have been

687 allowed to claim but for the apportionment requirements of this section.

688 Section 8. Section [59-10-1006](#) is repealed and reenacted to read:

689 **59-10-1006. Historic preservation tax credit.**

690 (1) As used in this section:

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

692 (i) is listed on the National Register of Historic Places within three years of taking the

693 credit under this section; or

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

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

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

697 (c) (i) "Qualified rehabilitation expenditures" means any amount properly chargeable to

698 the rehabilitation and restoration of the physical elements of the building.

699 (ii) "Qualified rehabilitation expenditures" includes the historic decorative elements

700 and the upgrading of the structural, mechanical, electrical, and plumbing systems.

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

702 (A) the claimant's, estate's, or trust's personal labor;

703 (B) cost of acquisition of the property;

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

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

706 Subsection (3)(a)(i);

707 (E) an expenditure attributable to landscaping or other site features, outbuildings,

708 garages, and related features; or

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

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

712 (2) A claimant, estate, or trust may claim a nonrefundable tax credit in an amount equal  
713 to 20% of qualified rehabilitation expenditures if:

714 (a) the qualified rehabilitation expenditures cost more than \$10,000;

715 (b) the qualified rehabilitation expenditures are incurred in connection with a  
716 residential certified historic building; and

717 (c) the claimant, estate, or trust has a written tax credit certificate issued in accordance  
718 with Subsection (3).

719 (3) (a) The office shall issue a tax credit certificate if the office:

720 (i) approves all rehabilitation work for which a claimant, estate, or trust may claim a  
721 tax credit as meeting the Secretary of the Interior's Standards for Rehabilitation before  
722 completion of the rehabilitation project so that the office can provide corrective comments to  
723 the claimant, estate, or trust to preserve the historic qualities of the building;

724 (ii) determines that the rehabilitation project conforms with the approved rehabilitation  
725 work; and

726 (iii) verifies the property is a residential certified historic building and the amount of  
727 the claimant's, estate's, or trust's qualified rehabilitation expenditures.

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

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

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

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

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

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



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

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

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

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

747 **59-10-1007. Recycling market development zones tax credits.**

748 (1) Subject to other provisions of this section, a claimant, estate, or trust [~~in a recycling~~  
 749 ~~market development zone as defined in Section [19-13-102](#) may claim the following~~  
 750 ~~nonrefundable tax credits:]~~

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

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

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

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

758 [(B)] (ii) reduce or reuse postconsumer waste material[~~; and~~].

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

760 [(i)] ~~20% of net expenditures to third parties for rent, wages, supplies, tools, test~~  
 761 ~~inventory, and utilities made by the claimant, estate, or trust for establishing and operating~~  
 762 ~~recycling or composting technology in the state; and]~~

763 [(ii)] ~~\$2,000.]~~

764 (2) (a) To claim a tax credit described in Subsection (1), the claimant, estate, or trust  
 765 shall receive from the Department of Environmental Quality a written certification, on a form  
 766 approved by the commission, that includes:

767 (i) a statement that the claimant, estate, or trust is operating within the boundaries of a  
 768 recycling market development zone;

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

770           ~~[(A)]~~ (ii) the type of the machinery and equipment that the claimant, estate, or trust  
771 purchased;

772           ~~[(B)]~~ (iii) the date that the claimant, estate, or trust purchased the machinery and  
773 equipment;

774           ~~[(C)]~~ (iv) the purchase price for ~~[the]~~ each item of machinery and equipment;

775           ~~[(D)]~~ (v) the total purchase price for all machinery and equipment for which the  
776 claimant, estate, or trust is claiming a tax credit;

777           (vi) a statement that the machinery and equipment are integral to the composting or  
778 recycling process; and

779           ~~[(E)]~~ (vii) the amount of the claimant's, estate's, or trust's tax credit~~[, and]~~.

780           ~~[(F) a statement that the machinery and equipment are integral to the composting or  
781 recycling process; and]~~

782           ~~[(iii) for a claim of the tax credit described in Subsection (1)(b):]~~

783           ~~[(A) the type of net expenditure that the claimant, estate, or trust made to a third party;]~~

784           ~~[(B) the date that the claimant, estate, or trust made the payment to a third party;]~~

785           ~~[(C) the amount that the claimant, estate, or trust paid to each third party;]~~

786           ~~[(D) the total amount that the claimant, estate, or trust paid to all third parties;]~~

787           ~~[(E) a statement that the net expenditures support the establishment and operation of  
788 recycling or composting technology in the state; and]~~

789           ~~[(F) the amount of the claimant's, estate's, or trust's tax credit.]~~

790           (b) (i) The Department of Environmental Quality shall provide a claimant, estate, or  
791 trust seeking to claim a tax credit under Subsection (1) with a copy of the written certification.

792           (ii) The claimant, estate, or trust shall retain a copy of the written certification for the  
793 same period of time that a person is required to keep books and records under Section  
794 [59-1-1406](#).

795           (c) The Department of Environmental Quality shall submit to the commission an  
796 electronic list that includes:

797           (i) the name and identifying information of each claimant, estate, or trust to which the  
798 Department of Environmental Quality issues a written certification; and

799           (ii) for each claimant, estate, or trust, the amount of each tax credit listed on the written  
800 certification.

801 (3) A claimant, estate, or trust may not claim a tax credit [~~under Subsection (1)(a);~~  
 802 ~~Subsection (1)(b), or both]~~ that exceeds 40% of the claimant's, estate's, or trust's state income  
 803 tax liability as the tax liability is calculated:

804 (a) for the taxable year in which the claimant, estate, or trust made the purchases [~~or~~  
 805 ~~payments]~~;

806 (b) before any other tax credits the claimant, estate, or trust may claim for the taxable  
 807 year; and

808 (c) before the claimant, estate, or trust claims a tax credit authorized by this section.

809 (4) The commission shall make rules governing what information a claimant, estate, or  
 810 trust shall file with the commission to verify the entitlement to and amount of a tax credit.

811 (5) Except as provided in Subsections (6) [~~through (8)]~~ and (7), a claimant, estate, or  
 812 trust may carry forward, to the next three taxable years, the amount of a tax credit [~~described in~~  
 813 ~~Subsection (1)(a)]~~ that the claimant, estate, or trust does not use for the taxable year.

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

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

820 [~~(8)]~~ (7) A claimant, estate, or trust may not claim or carry forward a tax credit under  
 821 this section for a taxable year during which the claimant, estate, or trust claims the targeted  
 822 business income tax credit under Section 59-10-1112.

823 Section 10. Section 59-10-1014 is amended to read:

824 **59-10-1014. Nonrefundable renewable energy systems tax credits -- Definitions --**  
 825 **Certification -- Rulemaking authority.**

826 (1) As used in this section:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

850 (i) intercepting and converting kinetic water energy into electrical or mechanical  
851 energy; and

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

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

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

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

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

862 (k) (i) "Principal recovery portion" means the portion of a lease payment that

863 constitutes the cost a person incurs in acquiring a residential energy system.

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

865 (A) an interest charge; or

866 (B) a maintenance expense.

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

869 (i) an active solar system;

870 (ii) a biomass system;

871 (iii) a direct use geothermal system;

872 (iv) a geothermal heat pump system;

873 (v) a hydroenergy system;

874 (vi) a passive solar system; or

875 (vii) a wind system.

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

878 (A) is located in the state; and

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

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

881 (A) Section 59-2-405;

882 (B) Section 59-2-405.1;

883 (C) Section 59-2-405.2;

884 (D) Section 59-2-405.3; or

885 (E) Section 72-10-110.5.

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

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

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

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

892 (3) For a taxable year beginning on or after January 1, 2007, a claimant, estate, or trust  
893 may claim a nonrefundable tax credit under this section with respect to a residential unit the

894 claimant, estate, or trust owns or uses if:

895 (a) the claimant, estate, or trust:

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

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

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

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

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

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

908 (ii) \$2,000.

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

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

913 (ii) (A) for a system installed on or after January 1, 2007, but on or before December  
914 31, 2017, \$2,000;

915 (B) for a system installed on or after January 1, 2018, but on or before December 31,  
916 2020, \$1,600;

917 (C) for a system installed on or after January 1, 2021, but on or before December 31,  
918 2021, \$1,200;

919 (D) for a system installed on or after January 1, 2022, but on or before December 31,  
920 2022, \$800;

921 (E) for a system installed on or after January 1, 2023, but on or before December 31,  
922 2023, \$400; and

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

924 (c) (i) The office shall determine the amount of the tax credit that a claimant, estate, or

925 trust may claim and list that amount on the written certification that the office issues under  
926 Subsection (5).

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

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

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

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

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

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

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

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

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

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

955 (B) if the other person files a return under this chapter, the other person may claim the

956 tax credit under this section as if the other person had met the requirements of this section to  
957 claim the tax credit.

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

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

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

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

966 (A) has been completely installed;

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

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

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

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

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

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

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

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

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

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

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



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

989 ~~[(7) A purchaser of one or more solar units that claims a tax credit under Section~~  
990 ~~59-10-1024 for the purchase of the one or more solar units may not claim a tax credit under this~~  
991 ~~section for that purchase.]~~

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

993 **59-10-1106. Refundable renewable energy systems tax credits -- Definitions --**  
994 **Certification -- Rulemaking authority.**

995 (1) As used in this section:

996 (a) "Active solar system" means the same as that term is defined in Section  
997 59-10-1014.

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

999 (c) "Commercial energy system" means the same as that term is defined in Section  
1000 59-7-614.

1001 (d) "Commercial enterprise" means the same as that term is defined in Section  
1002 59-7-614.

1003 (e) "Commercial unit" means the same as that term is defined in Section 59-7-614.

1004 (f) "Direct use geothermal system" means the same as that term is defined in Section  
1005 59-10-1014.

1006 (g) "Geothermal electricity" means the same as that term is defined in Section  
1007 59-10-1014.

1008 (h) "Geothermal energy" means the same as that term is defined in Section 59-10-1014.

1009 (i) "Geothermal heat pump system" means the same as that term is defined in Section  
1010 59-10-1014.

1011 (j) "Hydroenergy system" means the same as that term is defined in Section  
1012 59-10-1014.

1013 (k) "Hydrogen production system" means the same as that term is defined in Section  
1014 59-7-614.

1015 (l) "Office" means the Office of Energy Development created in Section 79-6-401.

1016 (m) "Passive solar system" means the same as that term is defined in Section  
1017 59-10-1014.

1018 (n) "Principal recovery portion" means the same as that term is defined in Section  
1019 59-10-1014.

1020 (o) "Wind system" means the same as that term is defined in Section 59-10-1014.

1021 (2) A claimant, estate, or trust may claim an energy system tax credit as provided in  
1022 this section against a tax due under this chapter for a taxable year.

1023 (3) (a) Subject to the other provisions of this Subsection (3), a claimant, estate, or trust  
1024 may claim a refundable tax credit under this Subsection (3) with respect to a commercial  
1025 energy system if:

1026 (i) the commercial energy system does not use:

1027 (A) wind, geothermal electricity[, solar], or biomass equipment capable of producing a  
1028 total of 660 or more kilowatts of electricity; or

1029 (B) solar equipment capable of producing 2,000 or more kilowatts of electricity;

1030 (ii) the claimant, estate, or trust purchases or participates in the financing of the  
1031 commercial energy system;

1032 (iii) (A) the commercial energy system supplies all or part of the energy required by  
1033 commercial units owned or used by the claimant, estate, or trust; or

1034 (B) the claimant, estate, or trust sells all or part of the energy produced by the  
1035 commercial energy system as a commercial enterprise;

1036 (iv) the claimant, estate, or trust has not claimed and will not claim a tax credit under  
1037 Subsection (6) for hydrogen production using electricity for which the claimant, estate, or trust  
1038 claims a tax credit under this Subsection (3); and

1039 (v) the claimant, estate, or trust obtains a written certification from the office in  
1040 accordance with Subsection (7).

1041 (b) (i) Subject to Subsections (3)(b)(ii) through (iv), the tax credit is equal to 10% of  
1042 the reasonable costs of the commercial energy system.

1043 (ii) A tax credit under this Subsection (3) may include installation costs.

1044 (iii) A claimant, estate, or trust is eligible to claim a tax credit under this Subsection (3)  
1045 for the taxable year in which the commercial energy system is completed and placed in service.

1046 (iv) The total amount of tax credit a claimant, estate, or trust may claim under this  
1047 Subsection (3) may not exceed \$50,000 per commercial unit.

1048 (c) (i) Subject to Subsections (3)(c)(ii) and (iii), a claimant, estate, or trust that is a

1049 lessee of a commercial energy system installed on a commercial unit may claim a tax credit  
1050 under this Subsection (3) if the claimant, estate, or trust confirms that the lessor irrevocably  
1051 elects not to claim the tax credit.

1052 (ii) A claimant, estate, or trust described in Subsection (3)(c)(i) may claim as a tax  
1053 credit under this Subsection (3) only the principal recovery portion of the lease payments.

1054 (iii) A claimant, estate, or trust described in Subsection (3)(c)(i) may claim a tax credit  
1055 under this Subsection (3) for a period that does not exceed seven taxable years after the day on  
1056 which the lease begins, as stated in the lease agreement.

1057 (4) (a) Subject to the other provisions of this Subsection (4), a claimant, estate, or trust  
1058 may claim a refundable tax credit under this Subsection (4) with respect to a commercial  
1059 energy system if:

1060 (i) the commercial energy system uses wind, geothermal electricity, or biomass  
1061 equipment capable of producing a total of 660 or more kilowatts of electricity;

1062 (ii) (A) the commercial energy system supplies all or part of the energy required by  
1063 commercial units owned or used by the claimant, estate, or trust; or

1064 (B) the claimant, estate, or trust sells all or part of the energy produced by the  
1065 commercial energy system as a commercial enterprise;

1066 (iii) the claimant, estate, or trust has not claimed and will not claim a tax credit under  
1067 Subsection (6) for hydrogen production using electricity for which the claimant, estate, or trust  
1068 claims a tax credit under this Subsection (4); and

1069 (iv) the claimant, estate, or trust obtains a written certification from the office in  
1070 accordance with Subsection (7).

1071 (b) (i) Subject to Subsection (4)(b)(ii), a tax credit under this Subsection (4) is equal to  
1072 the product of:

1073 (A) 0.35 cents; and

1074 (B) the kilowatt hours of electricity produced and used or sold during the taxable year.

1075 (ii) A claimant, estate, or trust is eligible to claim a tax credit under this Subsection (4)  
1076 for production occurring during a period of 48 months beginning with the month in which the  
1077 commercial energy system is placed in commercial service.

1078 (c) A claimant, estate, or trust that is a lessee of a commercial energy system installed  
1079 on a commercial unit may claim a tax credit under this Subsection (4) if the claimant, estate, or

1080 trust confirms that the lessor irrevocably elects not to claim the tax credit.

1081 (5) (a) Subject to the other provisions of this Subsection (5), a claimant, estate, or trust  
1082 may claim a refundable tax credit as provided in this Subsection (5) if:

1083 (i) the claimant, estate, or trust owns a commercial energy system that uses solar  
1084 equipment capable of producing a total of [~~660~~] 2,000 or more kilowatts of electricity;

1085 (ii) (A) the commercial energy system supplies all or part of the energy required by  
1086 commercial units owned or used by the claimant, estate, or trust; or

1087 (B) the claimant, estate, or trust sells all or part of the energy produced by the  
1088 commercial energy system as a commercial enterprise;

1089 (iii) the claimant, estate, or trust does not claim a tax credit under Subsection (3);

1090 (iv) the claimant, estate, or trust has not claimed and will not claim a tax credit under  
1091 Subsection (6) for hydrogen production using electricity for which a taxpayer claims a tax  
1092 credit under this Subsection (5); and

1093 (v) the claimant, estate, or trust obtains a written certification from the office in  
1094 accordance with Subsection (7).

1095 (b) (i) Subject to Subsection (5)(b)(ii), a tax credit under this Subsection (5) is equal to  
1096 the product of:

1097 (A) 0.35 cents; and

1098 (B) the kilowatt hours of electricity produced and used or sold during the taxable year.

1099 (ii) A claimant, estate, or trust is eligible to claim a tax credit under this Subsection (5)  
1100 for production occurring during a period of 48 months beginning with the month in which the  
1101 commercial energy system is placed in commercial service.

1102 (c) A claimant, estate, or trust that is a lessee of a commercial energy system installed  
1103 on a commercial unit may claim a tax credit under this Subsection (5) if the claimant, estate, or  
1104 trust confirms that the lessor irrevocably elects not to claim the tax credit.

1105 (6) (a) A claimant, estate, or trust may claim a refundable tax credit as provided in this  
1106 Subsection (6) if:

1107 (i) the claimant, estate, or trust owns a hydrogen production system;

1108 (ii) the hydrogen production system is completed and placed in service on or after  
1109 January 1, 2022;

1110 (iii) the claimant, estate, or trust sells as a commercial enterprise, or supplies for the

1111 claimant's, estate's, or trust's own use in commercial units, the hydrogen produced from the  
1112 hydrogen production system;

1113 (iv) the claimant, estate, or trust has not claimed and will not claim a tax credit under  
1114 Subsection (3), (4), or (5) for electricity used to meet the requirements of this Subsection (6);  
1115 and

1116 (v) the claimant, estate, or trust obtains a written certification from the office in  
1117 accordance with Subsection (7).

1118 (b) (i) Subject to Subsections (6)(b)(ii) and (iii), a tax credit under this Subsection (6)  
1119 is equal to the product of:

1120 (A) \$0.12; and

1121 (B) the number of kilograms of hydrogen produced during the taxable year.

1122 (ii) A claimant, estate, or trust may not receive a tax credit under this Subsection (6) for  
1123 more than 5,600 metric tons of hydrogen per taxable year.

1124 (iii) A claimant, estate, or trust is eligible to claim a tax credit under this Subsection (6)  
1125 for production occurring during a period of 48 months beginning with the month in which the  
1126 hydrogen production system is placed in commercial service.

1127 (7) (a) Before a claimant, estate, or trust may claim a tax credit under this section, the  
1128 claimant, estate, or trust shall obtain a written certification from the office.

1129 (b) The office shall issue a claimant, estate, or trust a written certification if the office  
1130 determines that:

1131 (i) the claimant, estate, or trust meets the requirements of this section to receive a tax  
1132 credit; and

1133 (ii) the commercial energy system or the hydrogen production system with respect to  
1134 which the claimant, estate, or trust seeks to claim a tax credit:

1135 (A) has been completely installed;

1136 (B) is a viable system for saving or producing energy from renewable resources; and

1137 (C) is safe, reliable, efficient, and technically feasible to ensure that the commercial  
1138 energy system or the hydrogen production system uses the state's renewable and nonrenewable  
1139 resources in an appropriate and economic manner.

1140 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
1141 office may make rules:

1142 (i) for determining whether a commercial energy system or a hydrogen production  
1143 system meets the requirements of Subsection (7)(b)(ii); and

1144 (ii) for purposes of a tax credit under Subsection (3), establishing the reasonable costs  
1145 of a commercial energy system, as an amount per unit of energy production.

1146 (d) A claimant, estate, or trust that obtains a written certification from the office shall  
1147 retain the certification for the same time period a person is required to keep books and records  
1148 under Section 59-1-1406.

1149 (e) The office shall submit to the commission an electronic list that includes:

1150 (i) the name and identifying information of each claimant, estate, or trust to which the  
1151 office issues a written certification; and

1152 (ii) for each claimant, estate, or trust:

1153 (A) the amount of the tax credit listed on the written certification; and

1154 (B) the date the commercial energy system or the hydrogen production system was  
1155 installed.

1156 (8) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
1157 commission may make rules to address the certification of a tax credit under this section.

1158 (9) A tax credit under this section is in addition to any tax credits provided under the  
1159 laws or rules and regulations of the United States.

1160 ~~[(10) A purchaser of one or more solar units that claims a tax credit under Section~~  
1161 ~~59-10-1024 for the purchase of the one or more solar units may not claim a tax credit under this~~  
1162 ~~section for that purchase.]~~

1163 Section 12. Section 63N-8-105 is amended to read:

1164 **63N-8-105. Annual report.**

1165 The office shall include the following information in the annual written report described  
1166 in Section 63N-1a-306:

1167 (1) the office's success in attracting within-the-state production of television series,  
1168 made-for-television movies, and motion pictures, including feature films and independent  
1169 films;

1170 (2) the amount of incentive commitments made by the office under this part and the  
1171 period of time over which the incentives will be paid; and

1172 (3) the economic impact on the state related to:

- 1173 (a) dollars left in the state; ~~and~~
- 1174 (b) new state revenues generated by a motion picture company or a digital media
- 1175 company for each state-approved production; and
- 1176 ~~(b)~~ (c) providing motion picture incentives under this part.
- 1177 Section 13. Section **79-6-401** is amended to read:
- 1178 **79-6-401. Office of Energy Development -- Creation -- Director -- Purpose --**
- 1179 **Rulemaking regarding confidential information -- Fees -- Transition for employees.**
- 1180 (1) There is created an Office of Energy Development in the Department of Natural
- 1181 Resources.
- 1182 (2) (a) The energy advisor shall serve as the director of the office or, on or before June
- 1183 30, 2029, appoint a director of the office.
- 1184 (b) The director:
- 1185 (i) shall, if the energy advisor appoints a director under Subsection (2)(a), report to the
- 1186 energy advisor; and
- 1187 (ii) may appoint staff as funding within existing budgets allows.
- 1188 (c) The office may consolidate energy staff and functions existing in the state energy
- 1189 program.
- 1190 (3) The purposes of the office are to:
- 1191 (a) serve as the primary resource for advancing energy and mineral development in the
- 1192 state;
- 1193 (b) implement:
- 1194 (i) the state energy policy under Section [79-6-301](#); and
- 1195 (ii) the governor's energy and mineral development goals and objectives;
- 1196 (c) advance energy education, outreach, and research, including the creation of
- 1197 elementary, higher education, and technical college energy education programs;
- 1198 (d) promote energy and mineral development workforce initiatives; and
- 1199 (e) support collaborative research initiatives targeted at Utah-specific energy and
- 1200 mineral development.
- 1201 (4) By following the procedures and requirements of Title 63J, Chapter 5, Federal
- 1202 Funds Procedures Act, the office may:
- 1203 (a) seek federal grants or loans;

1204 (b) seek to participate in federal programs; and

1205 (c) in accordance with applicable federal program guidelines, administer federally  
1206 funded state energy programs.

1207 (5) The office shall perform the duties required by Sections [11-42a-106](#), [59-5-102](#),  
1208 [~~59-7-614.7~~, ~~59-10-1029~~], and [63C-26-202](#), [~~Part 5, Alternative Energy Development Tax~~  
1209 ~~Credit Act,~~] and Part 6, High Cost Infrastructure Development Tax Credit Act.

1210 (6) (a) For purposes of administering this section, the office may make rules, by  
1211 following Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to maintain as  
1212 confidential, and not as a public record, information that the office receives from any source.

1213 (b) The office shall maintain information the office receives from any source at the  
1214 level of confidentiality assigned by the source.

1215 (7) The office may charge application, filing, and processing fees in amounts  
1216 determined by the office in accordance with Section [63J-1-504](#) as dedicated credits for  
1217 performing office duties described in this part.

1218 (8) (a) An employee of the office is an at-will employee.

1219 (b) For an employee of the office on July 1, 2021, the employee shall have the same  
1220 salary and benefit options the employee had when the office was part of the office of the  
1221 governor.

1222 Section 14. **Repealer.**

1223 This bill repeals:

1224 Section [59-7-614.7](#), **Nonrefundable alternative energy development tax credit.**

1225 Section [59-10-1024](#), **Nonrefundable tax credit for qualifying solar projects.**

1226 Section [59-10-1025](#), **Nonrefundable tax credit for investment in certain life science**  
1227 **establishments.**

1228 Section [59-10-1029](#), **Nonrefundable alternative energy development tax credit.**

1229 Section [63N-2-801](#), **Title.**

1230 Section [63N-2-802](#), **Definitions.**

1231 Section [63N-2-803](#), **Tax credits issued by office.**

1232 Section [63N-2-804](#), **Person may not claim or pass through a tax credit without tax**  
1233 **credit certificate.**

1234 Section [63N-2-805](#), **Application process.**



- 1235 Section [63N-2-806](#), **Criteria for tax credits.**
- 1236 Section [63N-2-807](#), **Rulemaking authority.**
- 1237 Section [63N-2-808](#), **Agreements between office and tax credit applicant and life**
- 1238 **science establishment -- Tax credit certificate.**
- 1239 Section [63N-2-809](#), **Issuance of tax credit certificates.**
- 1240 Section [63N-2-810](#), **Reports on tax credit certificates.**
- 1241 Section [63N-2-811](#), **Reports of tax credits.**
- 1242 Section [79-6-501](#), **Title.**
- 1243 Section [79-6-502](#), **Definitions.**
- 1244 Section [79-6-503](#), **Tax credits.**
- 1245 Section [79-6-504](#), **Qualifications for tax credit -- Procedure.**
- 1246 Section [79-6-505](#), **Report to the Legislature.**
- 1247 Section 15. **Effective date.**
- 1248 (1) Except as provided in Subsections (2) and (3), this bill takes effect on January 1,
- 1249 2024.
- 1250 (2) The actions affecting the following sections take effect on May 3, 2023:
- 1251 (a) Section [59-7-159](#); and
- 1252 (b) Section [59-10-137](#).
- 1253 (3) The actions affecting the following sections take effect for a taxable year beginning
- 1254 on or after January 1, 2024:
- 1255 (a) Section [59-7-609](#);
- 1256 (b) Section [59-7-610](#);
- 1257 (c) Section [59-7-614](#);
- 1258 (d) Section [59-7-614.7](#);
- 1259 (e) Section [59-10-1002.2](#);
- 1260 (f) Section [59-10-1006](#);
- 1261 (g) Section [59-10-1007](#);
- 1262 (h) Section [59-10-1014](#);
- 1263 (i) Section [59-10-1024](#);
- 1264 (j) Section [59-10-1025](#);
- 1265 (k) Section [59-10-1029](#); and

1266

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