

1 **Commercial Wind and Solar Incentives Amendments**

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Derrin R. Owens

House Sponsor:

3 **LONG TITLE**

4 **General Description:**

5 This bill modifies tax credit requirements for certain commercial wind and solar energy
6 systems.

7 **Highlighted Provisions:**

8 This bill:

- 9 ▶ defines terms;
- 10 ▶ requires commercial wind and solar energy systems of 660 or more kilowatts to include
11 battery storage systems to qualify for tax credits; and
- 12 ▶ makes technical changes.

13 **Money Appropriated in this Bill:**

14 None

15 **Other Special Clauses:**

16 None

17 **Utah Code Sections Affected:**

18 AMENDS:

19 **59-7-614**, as last amended by Laws of Utah 2024, Chapter 53

20 **59-10-1106**, as last amended by Laws of Utah 2024, Chapter 53

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

23 Section 1. Section **59-7-614** is amended to read:

24 **59-7-614 . Clean energy systems tax credits -- Definitions -- Certification --**

25 **Rulemaking authority.**

26 (1) As used in this section:

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

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

30 (B) transferring a form of energy described in Subsection (1)(a)(i)(A) by a

- 31 separate apparatus to storage or to the point of use.
- 32 (ii) "Active solar system" includes water heating, space heating or cooling, and
33 electrical or mechanical energy generation.
- 34 (b) "Adequate battery storage" means an energy storage system that:
- 35 (i) is capable of storing electrical energy produced by a commercial energy system;
36 (ii) can provide at least 12 hours of the commercial energy system's nameplate
37 capacity; and
38 (iii) enables the commercial energy system to meet the requirements of being
39 dispatchable and reliable.
- 40 [~~(b)~~] (c) "Biomass system" means a system of apparatus and equipment for use in:
41 (i) converting material into biomass energy, as defined in Section 59-12-102; and
42 (ii) transporting the biomass energy by separate apparatus to the point of use or
43 storage.
- 44 [~~(c)~~] (d) "Clean energy source" means the same as that term is defined in Section
45 54-17-601.
- 46 [~~(d)~~] (e) "Commercial energy system" means a system that is:
47 (i)(A) an active solar system;
48 (B) a biomass system;
49 (C) a direct use geothermal system;
50 (D) a geothermal electricity system;
51 (E) a geothermal heat pump system;
52 (F) a hydroenergy system;
53 (G) a passive solar system; or
54 (H) a wind system;
55 (ii) located in the state; and
56 (iii) used:
57 (A) to supply energy to a commercial unit; or
58 (B) as a commercial enterprise.
- 59 [~~(e)~~] (f) "Commercial enterprise" means an entity, the purpose of which is to produce:
60 (i) electrical, mechanical, or thermal energy for sale from a commercial energy
61 system; or
62 (ii) hydrogen for sale from a hydrogen production system.
- 63 [~~(f)~~] (g)(i) "Commercial unit" means a building or structure that an entity uses to
64 transact business.

- 65 (ii) Notwithstanding Subsection ~~[(1)(f)(i)]~~ (1)(g)(i):
- 66 (A) with respect to an active solar system used for agricultural water pumping or a
- 67 wind system, each individual energy generating device is considered to be a
- 68 commercial unit; or
- 69 (B) if an energy system is the building or structure that an entity uses to transact
- 70 business, a commercial unit is the complete energy system itself.
- 71 ~~[(g)]~~ (h) "Direct use geothermal system" means a system of apparatus and equipment that
- 72 enables the direct use of geothermal energy to meet energy needs, including heating a
- 73 building, an industrial process, and aquaculture.
- 74 (i) "Dispatchable" means the same as that term is defined in Section 79-6-102.
- 75 ~~[(h)]~~ (j) "Geothermal electricity" means energy that is:
- 76 (i) contained in heat that continuously flows outward from the earth; and
- 77 (ii) used as a sole source of energy to produce electricity.
- 78 ~~[(i)]~~ (k) "Geothermal energy" means energy generated by heat that is contained in the
- 79 earth.
- 80 ~~[(j)]~~ (l) "Geothermal heat pump system" means a system of apparatus and equipment that:
- 81 (i) enables the use of thermal properties contained in the earth at temperatures well
- 82 below 100 degrees Fahrenheit; and
- 83 (ii) helps meet heating and cooling needs of a structure.
- 84 ~~[(k)]~~ (m) "Hydroenergy system" means a system of apparatus and equipment that is
- 85 capable of:
- 86 (i) intercepting and converting kinetic water energy into electrical or mechanical
- 87 energy; and
- 88 (ii) transferring this form of energy by separate apparatus to the point of use or
- 89 storage.
- 90 ~~[(l)]~~ (n) "Hydrogen production system" means a system of apparatus and equipment,
- 91 located in this state, that uses:
- 92 (i) electricity from a clean energy source to create hydrogen gas from water,
- 93 regardless of whether the clean energy source is at a separate facility or the same
- 94 facility as the system of apparatus and equipment; or
- 95 (ii) uses renewable natural gas to produce hydrogen gas.
- 96 ~~[(m)]~~ (o) "Office" means the Office of Energy Development created in Section 79-6-401.
- 97 ~~[(n)]~~ (p)(i) "Passive solar system" means a direct thermal system that utilizes the
- 98 structure of a building and the structure's operable components to provide for

- 99 collection, storage, and distribution of heating or cooling during the appropriate
100 times of the year by utilizing the climate resources available at the site.
- 101 (ii) "Passive solar system" includes those portions and components of a building that
102 are expressly designed and required for the collection, storage, and distribution of
103 solar energy.
- 104 ~~[(t)]~~ (q) "Photovoltaic system" means an active solar system that generates electricity
105 from sunlight.
- 106 ~~[(p)]~~ (r)(i) "Principal recovery portion" means the portion of a lease payment that
107 constitutes the cost a person incurs in acquiring a commercial energy system.
- 108 (ii) "Principal recovery portion" does not include:
109 (A) an interest charge; or
110 (B) a maintenance expense.
- 111 (s) "Reliable" means the same as that term is defined in Section 79-6-102.
- 112 ~~[(q)]~~ (t) "Residential energy system" means the following used to supply energy to or for
113 a residential unit:
114 (i) an active solar system;
115 (ii) a biomass system;
116 (iii) a direct use geothermal system;
117 (iv) a geothermal heat pump system;
118 (v) a hydroenergy system;
119 (vi) a passive solar system; or
120 (vii) a wind system.
- 121 ~~[(r)]~~ (u)(i) "Residential unit" means a house, condominium, apartment, or similar
122 dwelling unit that:
123 (A) is located in the state; and
124 (B) serves as a dwelling for a person, group of persons, or a family.
- 125 (ii) "Residential unit" does not include property subject to a fee under:
126 (A) Section 59-2-405;
127 (B) Section 59-2-405.1;
128 (C) Section 59-2-405.2;
129 (D) Section 59-2-405.3; or
130 (E) Section 72-10-110.5.
- 131 ~~[(s)]~~ (v) "Wind system" means a system of apparatus and equipment that is capable of:
132 (i) intercepting and converting wind energy into mechanical or electrical energy; and

- 133 (ii) transferring these forms of energy by a separate apparatus to the point of use,
134 sale, or storage.
- 135 (2) A taxpayer may claim an energy system tax credit as provided in this section against a
136 tax due under this chapter for a taxable year.
- 137 (3)(a) Subject to the other provisions of this Subsection (3), a taxpayer may claim a
138 nonrefundable tax credit under this Subsection (3) with respect to a residential unit
139 the taxpayer owns or uses if:
- 140 (i) the taxpayer:
- 141 (A) purchases and completes a residential energy system to supply all or part of
142 the energy required for the residential unit; or
143 (B) participates in the financing of a residential energy system to supply all or part
144 of the energy required for the residential unit; and
- 145 (ii) the taxpayer obtains a written certification from the office in accordance with
146 Subsection (8).
- 147 (b)(i) Subject to Subsections (3)(b)(ii) through (iv) and, as applicable, Subsection
148 (3)(c) or (d), the tax credit is equal to 25% of the reasonable costs of each
149 residential energy system installed with respect to each residential unit the
150 taxpayer owns or uses.
- 151 (ii) A tax credit under this Subsection (3) may include installation costs.
- 152 (iii) A taxpayer may claim a tax credit under this Subsection (3) for the taxable year
153 in which the residential energy system is completed and placed in service.
- 154 (iv) If the amount of a tax credit under this Subsection (3) exceeds a taxpayer's tax
155 liability under this chapter for a taxable year, the taxpayer may carry forward the
156 amount of the tax credit exceeding the liability for a period that does not exceed
157 the next four taxable years.
- 158 (c) The total amount of tax credit a taxpayer may claim under this Subsection (3) for a
159 residential energy system, other than a photovoltaic system, may not exceed \$2,000
160 per residential unit.
- 161 (d) The total amount of tax credit a taxpayer may claim under this Subsection (3) for a
162 photovoltaic system may not exceed:
- 163 (i) for a system installed on or after January 1, 2018, but on or before December 31,
164 2020, \$1,600;
- 165 (ii) for a system installed on or after January 1, 2021, but on or before December 31,
166 2021, \$1,200;

- 167 (iii) for a system installed on or after January 1, 2022, but on or before December 31,
168 2022, \$800;
- 169 (iv) for a system installed on or after January 1, 2023, but on or before December 31,
170 2023, \$400; and
- 171 (v) for a system installed on or after January 1, 2024, \$0.
- 172 (e) If a taxpayer sells a residential unit to another person before the taxpayer claims the
173 tax credit under this Subsection (3):
- 174 (i) the taxpayer may assign the tax credit to the other person; and
- 175 (ii)(A) if the other person files a return under this chapter, the other person may
176 claim the tax credit under this section as if the other person had met the
177 requirements of this section to claim the tax credit; or
- 178 (B) if the other person files a return under Chapter 10, Individual Income Tax Act,
179 the other person may claim the tax credit under Section 59-10-1014 as if the
180 other person had met the requirements of Section 59-10-1014 to claim the tax
181 credit.
- 182 (4)(a) Subject to the other provisions of this Subsection (4), a taxpayer may claim a
183 refundable tax credit under this Subsection (4) with respect to a commercial energy
184 system if:
- 185 (i) the commercial energy system does not use:
- 186 (A) wind, geothermal electricity, solar, or biomass equipment capable of
187 producing a total of 660 or more kilowatts of electricity; or
- 188 (B) solar equipment capable of producing 2,000 or more kilowatts of electricity;
- 189 (ii) the taxpayer purchases or participates in the financing of the commercial energy
190 system;
- 191 (iii)(A) the commercial energy system supplies all or part of the energy required
192 by commercial units owned or used by the taxpayer; or
- 193 (B) the taxpayer sells all or part of the energy produced by the commercial energy
194 system as a commercial enterprise;
- 195 (iv) the taxpayer has not claimed and will not claim a tax credit under Subsection (7)
196 for hydrogen production using electricity for which the taxpayer claims a tax
197 credit under this Subsection (4); and
- 198 (v) the taxpayer obtains a written certification from the office in accordance with
199 Subsection (8).
- 200 (b)(i) Subject to Subsections (4)(b)(ii) through (iv), the tax credit is equal to 10% of

- 201 the reasonable costs of the commercial energy system.
- 202 (ii) A tax credit under this Subsection (4) may include installation costs.
- 203 (iii) A taxpayer is eligible to claim a tax credit under this Subsection (4) for the
204 taxable year in which the commercial energy system is completed and placed in
205 service.
- 206 (iv) The total amount of tax credit a taxpayer may claim under this Subsection (4)
207 may not exceed \$50,000 per commercial unit.
- 208 (c)(i) Subject to Subsections (4)(c)(ii) and (iii), a taxpayer that is a lessee of a
209 commercial energy system installed on a commercial unit may claim a tax credit
210 under this Subsection (4) if the taxpayer confirms that the lessor irrevocably elects
211 not to claim the tax credit.
- 212 (ii) A taxpayer described in Subsection (4)(c)(i) may claim as a tax credit under this
213 Subsection (4) only the principal recovery portion of the lease payments.
- 214 (iii) A taxpayer described in Subsection (4)(c)(i) may claim a tax credit under this
215 Subsection (4) for a period that does not exceed seven taxable years after the day
216 on which the lease begins, as stated in the lease agreement.
- 217 (5)(a) Subject to the other provisions of this Subsection (5), a taxpayer may claim a
218 refundable tax credit under this Subsection (5) with respect to a commercial energy
219 system if:
- 220 (i) the commercial energy system uses wind, geothermal electricity, or biomass
221 equipment capable of producing a total of 660 or more kilowatts of electricity;
- 222 (ii)(A) the commercial energy system supplies all or part of the energy required by
223 commercial units owned or used by the taxpayer; or
224 (B) the taxpayer sells all or part of the energy produced by the commercial energy
225 system as a commercial enterprise;
- 226 (iii) for a commercial energy system using wind, the system includes adequate
227 battery storage;
- 228 [~~(iii)~~] (iv) the taxpayer has not claimed and will not claim a tax credit under
229 Subsection (7) for hydrogen production using electricity for which the taxpayer
230 claims a tax credit under this Subsection (5); and
- 231 [~~(iv)~~] (v) the taxpayer obtains a written certification from the office in accordance
232 with Subsection (8).
- 233 (b)(i) Subject to Subsection (5)(b)(ii), a tax credit under this Subsection (5) is equal
234 to the product of:

- 235 (A) 0.35 cents; and
- 236 (B) the kilowatt hours of electricity produced and used or sold during the taxable
- 237 year.
- 238 (ii) A taxpayer is eligible to claim a tax credit under this Subsection (5) for
- 239 production occurring during a period of 48 months beginning with the month in
- 240 which the commercial energy system is placed in commercial service.
- 241 (c) A taxpayer that is a lessee of a commercial energy system installed on a commercial
- 242 unit may claim a tax credit under this Subsection (5) if the taxpayer confirms that the
- 243 lessor irrevocably elects not to claim the tax credit.
- 244 (6)(a) Subject to the other provisions of this Subsection (6), a taxpayer may claim a
- 245 refundable tax credit as provided in this Subsection (6) if:
- 246 (i) the taxpayer owns a commercial energy system that:
- 247 (A) uses solar equipment capable of producing a total of 660 or more kilowatts of
- 248 electricity; and
- 249 (B) includes adequate battery storage;
- 250 (ii)(A) the commercial energy system supplies all or part of the energy required by
- 251 commercial units owned or used by the taxpayer; or
- 252 (B) the taxpayer sells all or part of the energy produced by the commercial energy
- 253 system as a commercial enterprise;
- 254 (iii) the taxpayer does not claim a tax credit under Subsection (4) and has not claimed
- 255 and will not claim a tax credit under Subsection (7) for hydrogen production using
- 256 electricity for which a taxpayer claims a tax credit under this Subsection (6); and
- 257 (iv) the taxpayer obtains a written certification from the office in accordance with
- 258 Subsection (8).
- 259 (b)(i) Subject to Subsection (6)(b)(ii), a tax credit under this Subsection (6) is equal
- 260 to the product of:
- 261 (A) 0.35 cents; and
- 262 (B) the kilowatt hours of electricity produced and used or sold during the taxable
- 263 year.
- 264 (ii) A taxpayer is eligible to claim a tax credit under this Subsection (6) for
- 265 production occurring during a period of 48 months beginning with the month in
- 266 which the commercial energy system is placed in commercial service.
- 267 (c) A taxpayer that is a lessee of a commercial energy system installed on a commercial
- 268 unit may claim a tax credit under this Subsection (6) if the taxpayer confirms that the

- 269 lessor irrevocably elects not to claim the tax credit.
- 270 (7)(a) A taxpayer may claim a refundable tax credit as provided in this Subsection (7) if:
- 271 (i) the taxpayer owns a hydrogen production system;
- 272 (ii) the hydrogen production system is completed and placed in service on or after
- 273 January 1, 2022;
- 274 (iii) the taxpayer sells as a commercial enterprise, or supplies for the taxpayer's own
- 275 use in commercial units, the hydrogen produced from the hydrogen production
- 276 system;
- 277 (iv) the taxpayer has not claimed and will not claim a tax credit under Subsection (4),
- 278 (5), or (6) or Section 59-7-626 for electricity or hydrogen used to meet the
- 279 requirements of this Subsection (7); and
- 280 (v) the taxpayer obtains a written certification from the office in accordance with
- 281 Subsection (8).
- 282 (b)(i) Subject to Subsections (7)(b)(ii) and (iii), a tax credit under this Subsection (7)
- 283 is equal to the product of:
- 284 (A) \$0.12; and
- 285 (B) the number of kilograms of hydrogen produced during the taxable year.
- 286 (ii) A taxpayer may not receive a tax credit under this Subsection (7) for more than
- 287 5,600 metric tons of hydrogen per taxable year.
- 288 (iii) A taxpayer is eligible to claim a tax credit under this Subsection (7) for
- 289 production occurring during a period of 48 months beginning with the month in
- 290 which the hydrogen production system is placed in commercial service.
- 291 (8)(a) Before a taxpayer may claim a tax credit under this section, the taxpayer shall
- 292 obtain a written certification from the office.
- 293 (b) The office shall issue a taxpayer a written certification if the office determines that:
- 294 (i) the taxpayer meets the requirements of this section to receive a tax credit; and
- 295 (ii) the residential energy system, the commercial energy system, or the hydrogen
- 296 production system with respect to which the taxpayer seeks to claim a tax credit:
- 297 (A) has been completely installed;
- 298 (B) is a viable system for saving or producing energy from clean resources; and
- 299 (C) is safe, reliable, efficient, and technically feasible to ensure that the residential
- 300 energy system, the commercial energy system, or the hydrogen production
- 301 system uses the state's clean and nonrenewable energy resources in an
- 302 appropriate and economic manner.

- 303 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
 304 office may make rules:
- 305 (i) for determining whether a residential energy system, a commercial energy system,
 306 or a hydrogen production system meets the requirements of Subsection (8)(b)(ii);
 307 and
- 308 (ii) for purposes of a tax credit under Subsection (3) or (4), establishing the
 309 reasonable costs of a residential energy system or a commercial energy system, as
 310 an amount per unit of energy production.
- 311 (d) A taxpayer that obtains a written certification from the office shall retain the
 312 certification for the same time period a person is required to keep books and records
 313 under Section 59-1-1406.
- 314 (e) The office shall submit to the commission an electronic list that includes:
- 315 (i) the name and identifying information of each taxpayer to which the office issues a
 316 written certification; and
- 317 (ii) for each taxpayer:
- 318 (A) the amount of the tax credit listed on the written certification; and
 319 (B) the date the clean energy system was installed.
- 320 (9) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
 321 commission may make rules to address the certification of a tax credit under this section.
- 322 (10) A tax credit under this section is in addition to any tax credits provided under the laws
 323 or rules and regulations of the United States.
- 324 (11) A taxpayer may not claim or carry forward a tax credit described in this section in a
 325 taxable year during which the taxpayer claims or carries forward a tax credit under
 326 Section 59-7-614.7.

327 Section 2. Section **59-10-1106** is amended to read:

328 **59-10-1106 . Refundable clean energy systems tax credits -- Definitions --**

329 **Certification -- Rulemaking authority.**

- 330 (1) As used in this section:
- 331 (a) "Active solar system" means the same as that term is defined in Section 59-10-1014.
- 332 (b) "Adequate battery storage" means the same as that term is defined in Section
 333 59-7-614.
- 334 [~~(b)~~] (c) "Biomass system" means the same as that term is defined in Section 59-10-1014.
- 335 [~~(c)~~] (d) "Commercial energy system" means the same as that term is defined in Section
 336 59-7-614.

- 337 ~~[(d)]~~ (e) "Commercial enterprise" means the same as that term is defined in Section
 338 59-7-614.
- 339 ~~[(e)]~~ (f) "Commercial unit" means the same as that term is defined in Section 59-7-614.
- 340 ~~[(f)]~~ (g) "Direct use geothermal system" means the same as that term is defined in
 341 Section 59-10-1014.
- 342 (h) "Dispatchable" means the same as that term is defined in Section 79-6-102.
- 343 ~~[(g)]~~ (i) "Geothermal electricity" means the same as that term is defined in Section
 344 59-10-1014.
- 345 ~~[(h)]~~ (j) "Geothermal energy" means the same as that term is defined in Section
 346 59-10-1014.
- 347 ~~[(i)]~~ (k) "Geothermal heat pump system" means the same as that term is defined in
 348 Section 59-10-1014.
- 349 ~~[(j)]~~ (l) "Hydroenergy system" means the same as that term is defined in Section
 350 59-10-1014.
- 351 ~~[(k)]~~ (m) "Hydrogen production system" means the same as that term is defined in
 352 Section 59-7-614.
- 353 ~~[(l)]~~ (n) "Office" means the Office of Energy Development created in Section 79-6-401.
- 354 ~~[(m)]~~ (o) "Passive solar system" means the same as that term is defined in Section
 355 59-10-1014.
- 356 ~~[(n)]~~ (p) "Principal recovery portion" means the same as that term is defined in Section
 357 59-10-1014.
- 358 (q) "Reliable" means the same as that term is defined in Section 79-6-102.
- 359 ~~[(o)]~~ (r) "Wind system" means the same as that term is defined in Section 59-10-1014.
- 360 (2) A claimant, estate, or trust may claim an energy system tax credit as provided in this
 361 section against a tax due under this chapter for a taxable year.
- 362 (3)(a) Subject to the other provisions of this Subsection (3), a claimant, estate, or trust
 363 may claim a refundable tax credit under this Subsection (3) with respect to a
 364 commercial energy system if:
- 365 (i) the commercial energy system does not use:
- 366 (A) wind, geothermal electricity, solar, or biomass equipment capable of
 367 producing a total of 660 or more kilowatts of electricity; or
- 368 (B) solar equipment capable of producing 2,000 or more kilowatts of electricity;
- 369 (ii) the claimant, estate, or trust purchases or participates in the financing of the
 370 commercial energy system;

- 371 (iii)(A) the commercial energy system supplies all or part of the energy required
372 by commercial units owned or used by the claimant, estate, or trust; or
373 (B) the claimant, estate, or trust sells all or part of the energy produced by the
374 commercial energy system as a commercial enterprise;
- 375 (iv) the claimant, estate, or trust has not claimed and will not claim a tax credit under
376 Subsection (6) for hydrogen production using electricity for which the claimant,
377 estate, or trust claims a tax credit under this Subsection (3); and
- 378 (v) the claimant, estate, or trust obtains a written certification from the office in
379 accordance with Subsection (7).
- 380 (b)(i) Subject to Subsections (3)(b)(ii) through (iv), the tax credit is equal to 10% of
381 the reasonable costs of the commercial energy system.
- 382 (ii) A tax credit under this Subsection (3) may include installation costs.
- 383 (iii) A claimant, estate, or trust is eligible to claim a tax credit under this Subsection
384 (3) for the taxable year in which the commercial energy system is completed and
385 placed in service.
- 386 (iv) The total amount of tax credit a claimant, estate, or trust may claim under this
387 Subsection (3) may not exceed \$50,000 per commercial unit.
- 388 (c)(i) Subject to Subsections (3)(c)(ii) and (iii), a claimant, estate, or trust that is a
389 lessee of a commercial energy system installed on a commercial unit may claim a
390 tax credit under this Subsection (3) if the claimant, estate, or trust confirms that
391 the lessor irrevocably elects not to claim the tax credit.
- 392 (ii) A claimant, estate, or trust described in Subsection (3)(c)(i) may claim as a tax
393 credit under this Subsection (3) only the principal recovery portion of the lease
394 payments.
- 395 (iii) A claimant, estate, or trust described in Subsection (3)(c)(i) may claim a tax
396 credit under this Subsection (3) for a period that does not exceed seven taxable
397 years after the day on which the lease begins, as stated in the lease agreement.
- 398 (4)(a) Subject to the other provisions of this Subsection (4), a claimant, estate, or trust
399 may claim a refundable tax credit under this Subsection (4) with respect to a
400 commercial energy system if:
- 401 (i) the commercial energy system uses wind, geothermal electricity, or biomass
402 equipment capable of producing a total of 660 or more kilowatts of electricity;
- 403 (ii)(A) the commercial energy system supplies all or part of the energy required by
404 commercial units owned or used by the claimant, estate, or trust; or

- 405 (B) the claimant, estate, or trust sells all or part of the energy produced by the
406 commercial energy system as a commercial enterprise;
- 407 (iii) for a commercial energy system using wind, the system includes adequate
408 battery storage;
- 409 ~~[(iii)]~~ (iv) the claimant, estate, or trust has not claimed and will not claim a tax credit
410 under Subsection (6) for hydrogen production using electricity for which the
411 claimant, estate, or trust claims a tax credit under this Subsection (4); and
- 412 ~~[(iv)]~~ (v) the claimant, estate, or trust obtains a written certification from the office in
413 accordance with Subsection (7).
- 414 (b)(i) Subject to Subsection (4)(b)(ii), a tax credit under this Subsection (4) is equal
415 to the product of:
- 416 (A) 0.35 cents; and
417 (B) the kilowatt hours of electricity produced and used or sold during the taxable
418 year.
- 419 (ii) A claimant, estate, or trust is eligible to claim a tax credit under this Subsection
420 (4) for production occurring during a period of 48 months beginning with the
421 month in which the commercial energy system is placed in commercial service.
- 422 (c) A claimant, estate, or trust that is a lessee of a commercial energy system installed on
423 a commercial unit may claim a tax credit under this Subsection (4) if the claimant,
424 estate, or trust confirms that the lessor irrevocably elects not to claim the tax credit.
- 425 (5)(a) Subject to the other provisions of this Subsection (5), a claimant, estate, or trust
426 may claim a refundable tax credit as provided in this Subsection (5) if:
- 427 (i) the claimant, estate, or trust owns a commercial energy system that:
- 428 (A) uses solar equipment capable of producing a total of 660 or more kilowatts of
429 electricity; and
- 430 (B) includes adequate battery storage;
- 431 (ii)(A) the commercial energy system supplies all or part of the energy required by
432 commercial units owned or used by the claimant, estate, or trust; or
- 433 (B) the claimant, estate, or trust sells all or part of the energy produced by the
434 commercial energy system as a commercial enterprise;
- 435 (iii) the claimant, estate, or trust does not claim a tax credit under Subsection (3);
- 436 (iv) the claimant, estate, or trust has not claimed and will not claim a tax credit under
437 Subsection (6) for hydrogen production using electricity for which a taxpayer
438 claims a tax credit under this Subsection (5); and

- 439 (v) the claimant, estate, or trust obtains a written certification from the office in
440 accordance with Subsection (7).
- 441 (b)(i) Subject to Subsection (5)(b)(ii), a tax credit under this Subsection (5) is equal
442 to the product of:
- 443 (A) 0.35 cents; and
444 (B) the kilowatt hours of electricity produced and used or sold during the taxable
445 year.
- 446 (ii) A claimant, estate, or trust is eligible to claim a tax credit under this Subsection
447 (5) for production occurring during a period of 48 months beginning with the
448 month in which the commercial energy system is placed in commercial service.
- 449 (c) A claimant, estate, or trust that is a lessee of a commercial energy system installed on
450 a commercial unit may claim a tax credit under this Subsection (5) if the claimant,
451 estate, or trust confirms that the lessor irrevocably elects not to claim the tax credit.
- 452 (6)(a) A claimant, estate, or trust may claim a refundable tax credit as provided in this
453 Subsection (6) if:
- 454 (i) the claimant, estate, or trust owns a hydrogen production system;
455 (ii) the hydrogen production system is completed and placed in service on or after
456 January 1, 2022;
457 (iii) the claimant, estate, or trust sells as a commercial enterprise, or supplies for the
458 claimant's, estate's, or trust's own use in commercial units, the hydrogen produced
459 from the hydrogen production system;
460 (iv) the claimant, estate, or trust has not claimed and will not claim a tax credit under
461 Subsection (3), (4), or (5) for electricity used to meet the requirements of this
462 Subsection (6); and
463 (v) the claimant, estate, or trust obtains a written certification from the office in
464 accordance with Subsection (7).
- 465 (b)(i) Subject to Subsections (6)(b)(ii) and (iii), a tax credit under this Subsection (6)
466 is equal to the product of:
- 467 (A) \$0.12; and
468 (B) the number of kilograms of hydrogen produced during the taxable year.
- 469 (ii) A claimant, estate, or trust may not receive a tax credit under this Subsection (6)
470 for more than 5,600 metric tons of hydrogen per taxable year.
- 471 (iii) A claimant, estate, or trust is eligible to claim a tax credit under this Subsection
472 (6) for production occurring during a period of 48 months beginning with the

- 473 month in which the hydrogen production system is placed in commercial service.
- 474 (7)(a) Before a claimant, estate, or trust may claim a tax credit under this section, the
475 claimant, estate, or trust shall obtain a written certification from the office.
- 476 (b) The office shall issue a claimant, estate, or trust a written certification if the office
477 determines that:
- 478 (i) the claimant, estate, or trust meets the requirements of this section to receive a tax
479 credit; and
- 480 (ii) the commercial energy system or the hydrogen production system with respect to
481 which the claimant, estate, or trust seeks to claim a tax credit:
- 482 (A) has been completely installed;
- 483 (B) is a viable system for saving or producing energy from clean resources; and
- 484 (C) is safe, reliable, efficient, and technically feasible to ensure that the
485 commercial energy system or the hydrogen production system uses the state's
486 clean and nonrenewable resources in an appropriate and economic manner.
- 487 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
488 office may make rules:
- 489 (i) for determining whether a commercial energy system or a hydrogen production
490 system meets the requirements of Subsection (7)(b)(ii); and
- 491 (ii) for purposes of a tax credit under Subsection (3), establishing the reasonable costs
492 of a commercial energy system, as an amount per unit of energy production.
- 493 (d) A claimant, estate, or trust that obtains a written certification from the office shall
494 retain the certification for the same time period a person is required to keep books
495 and records under Section 59-1-1406.
- 496 (e) The office shall submit to the commission an electronic list that includes:
- 497 (i) the name and identifying information of each claimant, estate, or trust to which the
498 office issues a written certification; and
- 499 (ii) for each claimant, estate, or trust:
- 500 (A) the amount of the tax credit listed on the written certification; and
- 501 (B) the date the commercial energy system or the hydrogen production system
502 was installed.
- 503 (8) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
504 commission may make rules to address the certification of a tax credit under this section.
- 505 (9) A tax credit under this section is in addition to any tax credits provided under the laws
506 or rules and regulations of the United States.

507 (10) A purchaser of one or more solar units that claims a tax credit under Section
508 59-10-1024 for the purchase of the one or more solar units may not claim a tax credit
509 under this section for that purchase.

510 (11) A claimant, estate, or trust may not claim or carry forward a tax credit described in this
511 section in a taxable year during which the claimant, estate, or trust claims or carries
512 forward a tax credit under Section 59-10-1029.

513 Section 3. **Effective Date.**

514 This bill takes effect on May 7, 2025.