

Senate Study Bill 3201 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON BOLKCOM)

A BILL FOR

1 An Act modifying provisions applicable to the solar energy
2 system tax credit, and including retroactive applicability
3 provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 422.11L, subsection 1, paragraphs a and
2 b, Code 2014, are amended to read as follows:

3 a. ~~Fifty~~ Seventy-five percent of the federal residential
4 energy efficient property credit related to solar energy
5 provided in section 25D of the Internal Revenue Code, not to
6 exceed ~~three~~ five thousand dollars.

7 b. ~~Fifty~~ Seventy-five percent of the federal energy credit
8 related to solar energy systems provided in section 48 of the
9 Internal Revenue Code, not to exceed ~~fifteen~~ twenty thousand
10 dollars.

11 Sec. 2. Section 422.11L, subsection 4, Code 2014, is amended
12 to read as follows:

13 4. The cumulative value of tax credits claimed annually by
14 applicants pursuant to this section shall not exceed ~~one~~ four
15 million five hundred thousand dollars.

16 Sec. 3. RETROACTIVE APPLICABILITY. This Act applies
17 retroactively to January 1, 2014, for tax years beginning on
18 or after that date.

19

EXPLANATION

20 The inclusion of this explanation does not constitute agreement with
21 the explanation's substance by the members of the general assembly.

22 This bill relates to the solar energy system individual and
23 corporate income tax credit.

24 Currently, the tax credit is equal to the sum of 50 percent
25 of the federal residential energy efficient property credit
26 related to solar energy provided in section 25D of the Internal
27 Revenue Code, not to exceed \$3,000, and 50 percent of the
28 federal energy credit related to solar energy systems provided
29 in section 48 of the Internal Revenue Code, not to exceed
30 \$15,000. The bill increases these amounts to 75 percent of the
31 federal residential energy efficient property credit related
32 to solar energy, not to exceed \$5,000, and 75 percent of the
33 federal energy credit related to solar energy systems, not to
34 exceed \$20,000.

35 Additionally, currently the cumulative value of solar energy

S.F. _____

1 system income tax credits able to be claimed annually cannot
2 exceed \$1.5 million. The bill increases this cumulative amount
3 to \$4.5 million annually.

4 The bill's provisions apply retroactively to January 1,
5 2014, for tax years beginning on or after that date.