

RENEWABLE ENERGY TAX CREDIT CHANGES

Prior Law

Renewable Energy Tax Credits can be awarded to eligible renewable energy facilities. The credits can be applied to corporate income, individual income, franchise, insurance premium, sales and use, and replacement taxes. “Eligible renewable energy facilities” included facilities that were placed into service before January 1, 2015, provided they met the other enumerated criteria.

An amount equivalent to 10 megawatts of nameplate generating capacity was reserved for natural gas cogeneration facilities incorporated within or associated with an ethanol plant even if that facility did not meet the definition of “eligible renewable energy facility” found in the statute.

No renewable energy tax credit certificates could be issued for energy purchased or produced after December 31, 2024 for on-site consumption.

New Provisions

“Eligible renewable energy facilities” now include facilities that were placed into service before January 1, 2017, provided they meet the other enumerated criteria.

An amount equivalent to 10 megawatts of nameplate generating capacity is reserved for methane and landfill gas and biogas cogeneration facilities associated with an ethanol plant, as well as for natural gas cogeneration facilities. Thermal heat generated by a cogeneration facility and used for a commercial purpose can also count towards the 10 megawatt reservation requirement.

Facilities that were eligible for a natural gas cogeneration facility incorporated within or associated with an ethanol plant before July 1, 2014 do not have to reapply if they start using methane and landfill or biogas cogeneration facilities on or after that date as long as they do not make any other significant changes that would affect the facility’s eligibility.

No renewable energy tax credit certificates will be issued for energy purchased or produced after December 31, 2026 for on-site consumption.

Sections Amended

Section 1 of 2014 Iowa Acts Senate File 2343 amends Section 476C.1, subsection 6, paragraph d, Code 2014. Section 2 of Senate File 2343 amends Section 476C.3, subsection 5, Code 2014. Section 3 of SF 2343 amends Section 476C.5, Code 2014.

Effective Date

July 1, 2014