

GEOTHERMAL HEAT PUMP INCOME TAX CREDIT

Prior Law

None

New Provisions

A geothermal heat pump tax credit is available for individual income tax equal to 20% of the federal residential energy efficient property tax credit allowed for geothermal heat pumps provided in section 25D(a)(5) of the Internal Revenue Code for residential property located in Iowa.

The federal credit is available for property placed in service before January 1, 2017, so the Iowa credit will be available for the 2012-2016 tax years. The federal credit is claimed on federal form 5695, Residential Energy Credits.

Any credit in excess of the tax liability is not refundable, but the excess can be carried forward to the tax liability for the next ten years or until depleted, whichever is the earlier.

Section Amended

Section 1 of 2012 Iowa Acts Senate File 2342 creates new section 422.111, Code Supplement 2011.

Effective Date

Retroactive to January 1, 2012, for tax years beginning on or after that date.