

GEOHERMAL, SOLAR, WIND, AND BIOMASS ENERGY DEVICE TAX CREDIT - MULTISTATE SURVEY

This memorandum was requested to provide information on the availability of incentives in other states that are similar to the geothermal, solar, wind, or biomass energy device tax credit provided in North Dakota Century Code Section 57-38-01.8. The following table provides an overview of each incentive, including the name of the incentive, the agency administering the incentive, a brief description of the incentive, and the statutory citation.

State	Incentive Title	Administering Agency	Description	Statutory Citation
Arizona	Commercial and Industrial Solar Energy Tax Credit Program	Arizona Commerce Authority	An eligible taxpayer may claim a credit against income tax liability for a portion of the cost of installing solar energy devices. An eligible taxpayer is either a business that purchases a qualified solar energy device and installs the device in a facility financed or operated by the business, or a third party that financed, installed, or manufactured the device and then received the credit by way of transfer or sale from the taxpayer receiving the device. The amount of the credit is equal to 10 percent of the installed cost of the solar energy device, up to a maximum credit amount of \$25,000 per building per year, and \$50,000 per business per year. Any credit amount that exceeds a taxpayer's liability may be carried forward for up to five taxable years. Credits are awarded on a first-come, first-serve basis and no more than \$1 million in credits may be awarded to all taxpayers in any taxable year.	Arizona Revised Statutes Sections 41-1510.01, 43-1805, and 43-1164
Hawaii	Renewable Energy Technologies Income Tax Credit	Hawaii Department of Taxation	A taxpayer may claim a credit against income tax liability for a portion of the cost of installing a renewable energy technology system. The amount of the credit is equal to the lesser of 35 percent of the cost of a solar thermal energy system, or \$350 per unit for multi-family residential property, \$2,250 per system for single-family residential property, and \$250,000 per system for commercial property. For a solar photovoltaic energy system, the amount of the credit is equal to the lesser of 35 percent of the cost of the system, or \$350 per unit for a multi-family residential property, \$5,000 per system for single-family residential property, and \$500,000 per system for commercial property. For a wind-powered energy system, the amount of the credit is equal to the lesser of 20 percent of the cost of the system, or \$200 per unit for a multi-family residential property, \$1,500 per system for a single-family residential property, and \$500,000 per system for commercial property. The renewable energy technology system must be placed in service in the state during the taxable year in order for the credit to apply. Any credit amount that exceeds a taxpayer's liability may be carried forward for up to 10 taxable years or refunded to the taxpayer if all of the taxpayer's income is exempt or if the taxpayer has adjusted gross income of no more than \$20,000 if filing single or \$40,000 if married filing joint.	Hawaii Revised Statutes Section 235-12.5
Montana	Alternative Energy Production Credit	Montana Department of Revenue	A taxpayer may claim a credit against income tax liability for a portion of the cost of purchasing or building a facility that generates electricity using a renewable energy source. To qualify for the credit, a taxpayer must incur eligible costs of at least \$5,000 in certain depreciable property that qualifies under Internal Revenue Code Section 48(a) for	Montana Code Annotated Sections 15-32-401 through 15-32-404

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			a commercial or net metering system which generates electricity by means of an alternative renewable energy source. The amount of the credit is equal to 35 percent of eligible costs, reduced by the amount of any state or federal grants received by the taxpayer for the system. The credit may only be used to offset tax liability due as a result of taxable or net income produced by a manufacturing plant in Montana that produced alternative energy generating equipment, a new business facility or the expanded portion of an existing facility for which the alternative energy generating equipment supplies the basic energy needed on a direct contract sales basis, or the alternative energy generating equipment for which the investment was made. The credit must be claimed in the year in which the assets were first placed in service and any unused credits may be carried forward for up to seven years.	
Montana	Energy Conservation Investments Deduction	Montana Department of Revenue	A deduction from gross corporate income tax is available for a portion of a taxpayer's capital investment expenditures in a building for purposes of energy conservation that are not funded by state, federal, or private grant funds. The maximum amount a taxpayer may deduct from gross corporate income is \$1,800 for investments made in residential buildings and \$3,600 for investments made in non-residential buildings.	Montana Code Annotated Section 15-32-103
Montana	Geothermal Systems Credit	Montana Department of Revenue	An individual taxpayer or a person constructing a new residence may claim an income tax credit for the cost of installing a geothermal system in the taxpayer's principal dwelling or in the residence constructed by the taxpayer. The taxpayer may claim a credit for up to \$1,500 of installation costs. Any credit amount that exceeds a taxpayer's liability may be carried forward for up to seven taxable years.	Montana Code Annotated Section 15-32-115
New Mexico	Advanced Energy Tax Credits	New Mexico Taxation and Revenue Department	A taxpayer may claim a credit against corporate income tax liability for a portion of eligible development and construction costs for a qualified energy generating facility. Qualified energy generating facilities include solar thermal electric generating facilities or recycled energy projects, on which construction was commenced on or after July 1, 2007; solar photovoltaic energy generating facilities or geothermal electric generating facilities, on which construction was commenced on or after July 1, 2009; or new or repowered coal-based electric generating facilities and associated coal gasification facilities. Expenditures related to any qualified energy generating facility, on which construction began after December 31, 2015, will not qualify for purposes of the credit. The amount of the credit is equal to 6 percent of facility construction and development expenditures. Any credit amount that exceeds a taxpayer's liability may be carried forward for up to 10 taxable years. The total amount of credits that may be awarded under the program may not exceed \$60 million.	New Mexico Statutes Annotated Section 7-2A-25

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New Mexico	Solar Market Development Tax Credits	New Mexico Energy, Minerals, and Natural Resources Department	A taxpayer may qualify for a credit against individual income tax liability for a portion of the cost of purchasing and installing a solar thermal system or photovoltaic system in a residence, business, or agricultural enterprise owned by the taxpayer. The amount of the credit is equal to 10 percent of the purchase and installation costs of the system, up to a maximum credit amount of \$9,000 per system. Any credit amount exceeding a taxpayer's liability may be carried forward for up to 10 taxable years. The total amount of credits that may be awarded to all taxpayers is limited to \$2 million in credits for solar thermal systems and \$3 million in credits for photovoltaic systems.	New Mexico Statutes Annotated Section 7-2-18.14
New Mexico	Geothermal Heat Pump Tax Credit	New Mexico Taxation and Revenue Department	A taxpayer may qualify for a credit against individual income tax liability for a portion of the cost of purchasing and installing a geothermal ground-coupled heat pump in a residence, business, or agricultural enterprise owned by the taxpayer. The amount of the credit is equal to 30 percent of the purchase and installation costs, up to a maximum credit amount of \$9,000. Any credit amount exceeding a taxpayer's liability may be carried forward for up to 10 taxable years. The total amount of credits that may be awarded to all taxpayers on an annual basis is limited to \$2 million.	New Mexico Statutes Annotated Section 7-2-18.24
North Carolina	Credit for Investing in Renewable Energy Property	North Carolina Department of Revenue	A taxpayer may claim a credit against tax liability for a portion of the costs for design, equipment, construction, and installation of renewable energy property. The amount of the credit is equal to 35 percent of eligible costs, up to a maximum amount of \$3,500 for nonbusiness solar energy equipment for active space heating, combined active space and domestic water-heating systems, and passive space heating; \$1,400 for nonbusiness solar water-heating systems; \$10,500 for renewable-energy systems for nonbusiness use; \$8,400 for geothermal equipment installation for nonbusiness use; and \$2.5 million for solar, wind, hydro, geothermal, and biomass applications used in commercial and industrial facilities. The amount of earned credit must be taken in five equal installments, beginning with the year in which the property was placed into service. Any unused credit amount remaining after five years may be carried forward for up to five additional taxable years.	North Carolina General Statutes Annotated Section 105-129.16A
South Carolina	Biomass Resources Credit	South Carolina Department of Revenue	A taxpayer may qualify for a credit against corporate income tax liability or corporate license fees for a portion of the costs incurred to purchase and install equipment used to create power, heat, steam, electricity, or another form of energy for commercial use from a fuel consisting of at least 90 percent biomass. The amount of the credit is equal to 25 percent of the costs incurred and may offset up to \$650,000 in tax liability per taxable year. Any credit amount that exceeds a taxpayer's liability may be carried forward for up to 15 taxable years.	Code of Laws of South Carolina Section 12-6-3620

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South Carolina	Solar Energy Credit	South Carolina Department of Revenue	A taxpayer may qualify for a credit against income tax liability for a portion of the costs incurred to purchase and install a solar energy system or small hydropower system in a facility owned by the taxpayer. The amount of the credit is equal to 25 percent of the costs incurred. The credit may not exceed \$3,500 per facility or be used to offset more than 50 percent of a taxpayer's liability for the taxable year. Any credit amount that exceeds a taxpayer's liability may be carried forward for up to 10 taxable years.	Code of Laws of South Carolina Section 12-6-3587
Utah	Renewable Energy Systems Tax Credit	Utah Office of Energy Development	A taxpayer may qualify for a refundable credit against income tax liability for a portion of the equipment and installation costs for a renewable energy system. Qualifying renewable energy systems include passive or active solar, wind, or hydro energy systems. The amount of the credit is equal to 10 percent of the equipment and installation costs for a commercial system, up to a maximum amount of \$50,000 per commercial unit.	Utah Code Annotated Section 59-10-1106
Vermont	Investment Tax Credit	Vermont Department of Taxes	A taxpayer may claim a credit against income tax liability for a portion of the cost of installing renewable energy equipment on business properties. The credit is equal to 24 percent of the Vermont property portion of the federal business energy tax credit which equates to a 7.2 percent state-level credit for solar, small wind, and fuel cell systems placed in service on or before December 31, 2016, and a 2.4 percent state-level credit thereafter. For microturbines and combined heat and power systems, equipment must be in place and in service by December 31, 2016, in order for expenditures to qualify. The credit amount for geothermal system expenditures is 2.4 percent and extends indefinitely. Any credit amount that exceeds a taxpayer's liability may be carried forward for up to five taxable years.	32 Vermont Statutes Annotated Section 5822