



## Solar PV Tax Credit Frequently Asked Questions

### FAQs about applying for the solar PV tax credit

What documents need to be submitted with my application? Four (4) documents must be submitted with your application (preferably uploaded using the PDF format):

1. ***Interconnection and Net Metering Agreement*** from your electrical utility provider that is signed by you and your electrical utility provider (for example, Rocky Mountain Power). Please upload the entire document, including the address of the property, the homeowners name, and a signatures. The agreement must include the electricity providing utility's authorizing signature and your signature. Signatures are requested on page 16 of the Rocky Mountain Power net metering agreement.
2. ***Invoice for the Solar PV System***, which must include the address of the property it was installed on, the name of who purchased the unit, and the total system cost (including batteries, if applicable). If system was self-installed, please include all relevant order receipts.
3. ***Schematic*** or diagram showing how the solar PV system is laid out on the structure roof or property and how it will operate. The document must include the address of the property it was installed on and the owner's name or business name.
4. ***Pictures of the installed solar system***. Photos must show the installed solar PV panels and any other system components. If snow is covering your solar panels, please take a picture either from the street or a neighbor's point of view to show that your solar panels are installed on the roof.

When will the RESTC program end?

The residential solar PV RESTC program will sunset in 2025. From 2018 until 2021, the total maximum tax credit that can be issued by the Governor's Office of Energy Development for the purchase and installation of a residential solar PV system is 25% of the eligible system cost or \$1,600, whichever is less.

Between 2022 and 2024, the maximum credit that can be issued will decrease by \$400 each year. In other words, in year 2022, the maximum credit that can be issued will be 25% of the eligible system cost or \$1,200, whichever is less. In 2023, the maximum credit that can be issued will be 25% of the eligible system cost or \$800, whichever is less. In 2024, the maximum credit that can be issued will be 25% of the eligible system cost or \$400, whichever is less. In 2025, the program will end and no tax credits for residential solar PV will be available. This tax schedule is summarized in the table below.

*Please note, these FAQs apply to questions about the RESTC Solar PV systems only.*



Please note: the year refers to the year the SYSTEM WAS INSTALLED, not the year you submit your application.

#### Residential Solar PV

Year Solar System was Installed	Eligible Tax Credit Amount
2017	25% of eligible system costs, including installation or \$2,000, whichever is less
2018-2021	25% of eligible system costs, including installation or \$1,600 whichever is less
2022	25% of eligible system costs, including installation or \$1,200, whichever is less
2023	25% of eligible system costs, including installation or \$800, whichever is less
2024 (final year)	25% of eligible system costs, including installation or \$400, whichever is less

When do I have to complete and submit the application to the Governor's Office of Energy Development?

Please submit your application at <https://oed2.fluidreview.com> once you receive all completed application documents. Individuals or businesses that wait until the end of the year may face longer processing times.

If you are approved, you will receive the TC-40E document verifying your eligible tax credit amount. You do not need to submit this form with your taxes. You need to keep the form for your records. Once you receive the tax credit form, you can claim the "Renewable Residential Energy Systems Credit, Code 21" state credit on your state taxes. Do not select "Qualifying solar project credit."

PLEASE NOTE the TC-40 E does not need to be completed prior to filing taxes and it does not need to be filed with your state taxes

How long is the processing time?

Processing time can take up to 6 weeks for a residential application and up to 8 weeks for a commercial application. We highly recommend submitting your application prior to the tax season to avoid delays in processing.

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### What types of pictures of the solar PV system are required for the RESTC?

For Solar PV systems: photos of the installed solar panels and inverter(s), the meter, and disconnect box.

### What is a schematic?

A schematic is a drawn representation of the solar PV system. Other terms that are similar to a schematic include: diagram, blueprint, and CADD file. This document must contain the property address and homeowner's name.

### Can a loan document be submitted for an invoice?

Yes, as long as the property address and homeowner's name are present. Please include on your application all actual costs of the system, excluding interest payments from the loan.

### What is an interconnection and net metering agreement?

An interconnection and net metering agreement is a contract between the owner of a solar PV system and their local electrical utility provider (for example, Rocky Mountain Power). The agreement states that any excess electricity generated from the solar PV system, not used by the building or residence, is placed onto the utility's electricity grid. Also included in the contract are safety measures to ensure that if the electricity grid experiences a blackout, when the utility dispatches repair linemen, no electricity generating solar PV systems are trying to feed excess electricity to the grid and accidentally shocking the repair linemen.

### Do you need a interconnection and net metering agreement if you plan to install a solar PV electricity generating system?

Yes. You must have an interconnection and net metering agreement in place before you can turn on your solar PV system, so long as your building or residence resides within the service territory of a electricity providing utility or municipality electricity provider.

### Where can I get an interconnection and net metering agreement for my solar PV system?

You will need to contact your utility service provider.

If Rocky Mountain Power is your service provider, you can contact them by calling their helpline at 1-888-221-7070 or by email at [netmetering@pacificorp.com](mailto:netmetering@pacificorp.com). You should request a signed and

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approved interconnection and net metering agreement that contains both yours and Rocky Mountain Power's signatures.

If you live within a municipality utility service provider territory (such as Logan City, Kaysville, Bountiful, Murray, Lehi, Provo, Springville, Spanish Fork, St. George, and Washington City) you will need to call your local utility and request a signed and approved net metering agreement that contains both yours and their signatures. For the solar PV RESTC, the requested net metering agreement will have to be signed by the appropriate authorities at the electricity providing utility or municipality electricity provider.

Where can I find the signed interconnection and net metering agreement?

If you are a Rocky Mountain Power customer, the agreement must be signed by you and Rocky Mountain Power (on page 16 of the agreement). Depending on their availability, Rocky Mountain Power may send you the signed and finalized agreement contract **or** a closure letter. The closure letter is a one page formal letter on Rocky Mountain Power letterhead stating all requirements were met, and the new meter was installed. OED can accept the signed and approved interconnection and net metering agreement **or** the one page formal closure letter.

If you receive your electricity from your local municipality, the net metering agreements differ. Most municipalities will issue a formal letter for your records. Other municipalities require higher levels of approval, such as a mayor's signature.

Is the RESTC the same application for the federal credit?

No, the federal tax credit is not managed through OED. The federal ITC requires a form and is then claimed on your federal taxes. Please note that the rules regarding the federal credit may differ from that of the Utah tax credit. For additional details, visit: <http://www.dsireusa.org/> for an overview of available incentives.

- For the Federal - Residential Renewable Energy Tax Credit  
<http://programs.dsireusa.org/system/program/detail/1235>
- For the Federal - Business Energy Investment Tax Credit (ITC)  
<http://programs.dsireusa.org/system/program/detail/658>
- If you are looking for the IRS form for filling out and claiming the Federal - Residential Renewable Energy Tax Credit, here is the form for tax year 2017.  
<https://www.irs.gov/pub/irs-pdf/f5695.pdf>

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## **FAQs about residential versus commercial applications**

What is the difference between residential and commercial?

The Residential solar PV tax credit is for the purchase and installation of a solar PV system that is installed on a residential dwelling unit. The tax credit is NONREFUNDABLE, meaning it can only be claimed against your State of Utah tax liability. You will not receive this credit in the form of cash.

For example, if you have a State of Utah tax liability of \$2,000, and you receive a solar PV tax credit for \$2,000, then the tax credit of \$2,000 will reduce your tax liability to \$0.

For example, if you have a tax liability of \$3,500 and you receive a solar PV tax credit for \$2,000, then your State of Utah tax liability will be \$1,500.

For example, if you have a tax liability of \$1,200 and you receive a solar PV tax credit for \$2,000, then your tax liability will be \$0 and the remaining solar PV tax credit of \$800 will roll forward and be applied to the next tax year. You will be able to use the remaining tax credit of \$800 in the next tax year. Again, you will not receive the remaining credit in the form of cash. This is not a rebate.

The Commercial solar PV tax credit is for the purchase and installation of a solar PV system that is installed on a commercial unit. The commercial unit is where the owner conducts business. The commercial solar PV tax credit is REFUNDABLE. The taxpayer can claim a Commercial solar PV tax credit when they file their taxes with the State of Utah. Any portion that is not negated from a tax liability is issued in a tax return.

Should you apply for the residential or commercial tax credit if you run your business out of your home or primary residence?

Typically, if your business purchased the solar PV system, you will claim the commercial solar PV tax credit. Alternatively, if you purchased the solar PV system as a homeowner, you will claim the residential solar PV tax credit. We advise emailing OED at [energytaxcredits@utah.gov](mailto:energytaxcredits@utah.gov) to assess your specific circumstances.

Are you a landlord that owns a multi-unit residential structure?

If you install multiple separate solar PV systems on separate, unique addresses, you can claim a non-refundable residential tax credit for each unique system, i.e., a standalone separate system that feeds only one address location.

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If you install a large solar PV system for the entire building, the business that runs and operates the multi-unit residential structure can claim a (one) refundable commercial credit based on the single solar system.

## **FAQs about audits**

I just received a notice that I am being audited. What do I do?

Share a copy of your TC-40E document with the Utah State Tax Commission or your accountant.

I have never applied for a TC-40E, where do I go?

Please visit [energy.utah.gov/solar](http://energy.utah.gov/solar) to learn about how create an account and submit an application to receive a TC-40E. At [energy.utah.gov/solar](http://energy.utah.gov/solar) you will be connected to [oed2.fluidreview.com](http://oed2.fluidreview.com) to register for an account and begin an application. Once you submit your application, you will receive an email notification from [energytaxcredits@utah.gov](mailto:energytaxcredits@utah.gov) about your submittal and the approximate timeframe for review. It is recommended that you follow up with the tax commission when you submit as the review timeframe may surpass your audit deadline.

I have already applied but have misplaced my TC-40E document, how can I get a copy?

Please email the following information to [energytaxcredits@utah.gov](mailto:energytaxcredits@utah.gov) with the subject line “Request for Assistance on Audit”:

- The address where the solar PV system was installed
- The full taxpayer name(s)
- The year the solar PV system was installed
- The year the solar PV tax credit application was submitted

I am unsure if a TC-40E application has ever been submitted, how do I find out?

We recommend first contacting your solar installer to see if they have one on file. If they are unable to confirm that the TC-40E was issued, please follow the above procedures to email the Governor’s Office of Energy Development regarding your inquiry and include a statement about your uncertainty of submitting.

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