

Special Notice

Intended audience: Public utility light and power businesses

July 1, 2022

Community solar projects - public utility tax credit

Beginning July 1, 2022, a light and power business is allowed a credit against public utility tax (PUT) equal to incentive payments made under the Community Solar Expansion Program.

How much is the PUT credit?

Credit claimed for incentive payments made to a community solar project may not exceed the greater of either of the following in a fiscal year:

- \$250,000.
- 1.5% of the business's taxable Washington power sales generated in calendar year 2014 and due under RCW 82.16.020(1)(b).

How is the credit applied?

At the time the credit is applied on the return, the credit may not exceed the PUT due.

If the credit is claimed in excess of the incentive payment paid, the excess is immediately due and payable.

When do credits expire?

The right to earn credits expires June 30, 2036. Credits cannot be claimed after June 30, 2037.

Who can receive incentive payments?

Participating community solar projects must seek approval from the Washington State University extension energy program (WSU).

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For tax assistance or to request this document in an alternate format, visit dor.wa.gov or call 360-705-6705. Teletype (TTY) users may use the Washington Relay Service by calling 711.

Qualifying community solar projects can begin applying to WSU for precertification on July 1, 2022, and must be certified for an incentive payment by June 30, 2033.

More information

The amount of credit taken is not confidential taxpayer information and is subject to disclosure (RCW 82.32.330).

[2SHB 1814](#), Chapter 212, Laws of 2022

[RCW 82.16.170](#)

Questions?

For questions about the credit, please call 360-705-6705.