

HOUSE BILL 4: HYDROGEN HUB DEVELOPMENT ACT

TAX INCENTIVES FOR HYDROGEN FACILITIES, EQUIPMENT, PRODUCTION, DISTRIBUTION, REFUELING, VEHICLES & ELECTRIC GENERATING FACILITIES¹

Carbon Intensity (CI) in kg CO₂-eq per kg of H₂

4

3

2

0

Hydrogen Hub Incentives

Statewide Hydrogen Incentives

Qualified hydrogen
CI less than 4²

- Construct before January 1, 2031
- Production income tax credits: \$0.10/kg of hydrogen produced³
- Gross receipts/compensating tax deduction: 33%

- Construct before January 1, 2031
- Production income tax credits: \$0.05/kg of hydrogen produced³
- Gross receipts/compensating tax deduction: 33%

Clean hydrogen
CI less than 2

- Construct before January 1, 2033
- Production income tax credits: \$0.20/kg of hydrogen produced³
- Gross receipts/compensating tax deduction: 66%

- Construct before January 1, 2033
- Production income tax credits: \$0.10/kg of hydrogen produced³
- Gross receipts/compensating tax deduction: 66%

Carbon-negative
hydrogen
CI less than 0

- Construct before January 1, 2035
- Production income tax credits: \$0.30/kg of hydrogen produced³
- Gross receipts/compensating tax deduction: 100%

- Construct before January 1, 2035
- Production income tax credits: \$0.15/kg of hydrogen produced³
- Gross receipts/compensating tax deduction: 100%

1. Hydrogen electric generating facilities must also meet an emission limit of 375 pounds of carbon dioxide per megawatt hour.
2. Prior to July 1, 2028, CI equal to or less than 4; after July 1, 2028, CI equal to or less than 3.
3. Capped at 17 million kilograms.

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Hydrogen Electric Generating Facilities

Hydrogen Hub Incentives

Geared to base load power supply

- Construct before January 1, 2033
- Production income tax credits: \$.30/kg of hydrogen produced¹
- Gross receipts/compensating tax deduction: 100%

Statewide Hydrogen Incentives

Geared to non-base load power supply

- Construct before January 1, 2033
- Production income tax credits: \$.15/kg of hydrogen produced¹
- Gross receipts/compensating tax deduction: 100%

✓ Hydrogen electric generating facilities must also meet an emission limit of 375 pounds of carbon dioxide per megawatt hour to secure tax incentives.

✓ Must use 100% clean hydrogen to generate electricity.

✓ Permanent sequestration of carbon dioxide from the production of hydrogen.

✓ Must use independently certified responsibly sourced gas.

1. Capped at 17 million kilograms.