

1 _____ Legislature

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3 AN ACT RELATING TO REVENUE AND TAXATION; AUTHORIZING INCOME TAX
4 CREDITS FOR CERTAIN WIND AND/OR PHOTOVOLTAIC ENERGY SYSTEMS;
5 SPECIFYING AMOUNTS OF CREDITS; PROVIDING PROCEDURES RELATED THERETO;
6 PROVIDING FOR CODIFICATION; AND PROVIDING AN EFFECTIVE DATE.

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8 BE IT ENACTED BY THE PEOPLE OF THE STATE OF _____:

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10 Section 1. NEW LAW A new section of law to be codified in
11 _____ statutes as Section _____, unless there is
12 created a duplication in numbering, reads as follows:

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14 A. 1. For all taxable years beginning after December 31, 2001,
15 any taxpayer, having a wind and/or photovoltaic energy system
16 installed on residential property in this state, may claim a credit
17 against the tax imposed by Section _____ of this title. In
18 determining the amount of credit allowed, the taxpayer may include in
19 the total costs of the wind and/or photovoltaic energy system such
20 direct expenses incurred for equipment, construction, and installation
21 of the system, less all rebates and remunerations of any type
22 resulting from the installation.

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24 2. The following percentage of the qualified renewable energy
25 system expenditures shall be allowed as a credit under the provisions
26 of this subsection for the taxable year in which the cost is incurred:

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28	Taxable Year	Percentage of Expenditure
29	a. 2002	40%
30	b. 2003	40%
	c. 2004	40%

1	d. 2005	40%
2	e. 2006	40%
3	f. 2007	40%
4	g. 2008	30%
5	h. 2009	30%
6	i. 2010	20%
7	j. 2011	20%

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9 3. If the tax credit allowable to the taxpayer for the cost of a
10 renewable energy system exceeds the taxes due on the income of the
11 taxpayer, the amount of the claim not used as an offset against the
12 income taxes of a taxable year may be carried forward as a credit
13 against subsequent income tax liability for a period not to exceed
14 five (5) years.

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16 B. 1. For all taxable years beginning after December 31, 2001,
17 any taxpayer, having a wind and/or photovoltaic energy system
18 installed on non-residential property in this state, may claim a
19 credit against the tax imposed by Section _____ of this title.
20 In determining the amount of credit allowed, the taxpayer may include
21 in the total costs of the wind and/or photovoltaic energy system such
22 direct expenses incurred for equipment, construction, and installation
23 of the system, less all rebates and remunerations of any type
24 resulting from the installation. For the purposes of the allowable tax
25 credit provided for in this section, the total cost allowed to be
26 claimed shall not exceed Two Hundred Fifty Thousand Dollars
27 (\$250,000).

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29 2. The following percentage of the qualified renewable energy
30 system expenditures shall be allowed as a credit under the provisions
of this subsection for the taxable year in which the cost is incurred:

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Taxable Year	Percentage of Expenditure
a. 2002	40%
b. 2003	40%
c. 2004	40%
d. 2005	40%
e. 2006	40%
f. 2007	40%
g. 2008	30%
h. 2009	30%
i. 2010	20%
j. 2011	20%

3. If the tax credit allowable to the taxpayer for the cost of a renewable energy system exceeds the taxes due on the income of the taxpayer, the amount of the claim not used as an offset against the income taxes of a taxable year may be carried forward as a credit against subsequent income tax liability for a period not to exceed five (5) years.

4. For the purposes of qualifying for the tax credit provided for in this section, more than 50% of the energy produced by the wind and/or photovoltaic energy system must be utilized on the premises of the installation.

C. An itemized accounting of the cost and an affidavit attesting to the facts thereof shall be furnished to the taxpayer by the supplier of the renewable energy system. The itemized accounting shall include the amounts properly attributable to the cost of acquisition, construction, and installation of the renewable energy system. The

1 taxpayer shall include a copy of said accounting when claiming either
2 credit provided for in this section.

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4 D. Wind turbines shall be rated in accordance with the latest
5 performance rating standards published or endorsed by the American
6 Wind Energy Association (AWEA) and the manufacturer must be a member
7 in good standing of AWEA in order to qualify for the credits provided
8 for in this section. Photovoltaic modules shall be rated in accordance
9 with the latest US-DOE or Solar Energy Industries Association (SEIA)
10 endorsed performance rating standard and the manufacturer must be a
11 member in good standing of SEIA in order to qualify for the credits
12 provided for in this section.

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14 E. Product performance specifications conforming to either AWEA
15 or DOE/SEIA standards, as appropriate, for renewable energy generating
16 equipment shall be provided to potential purchasers prior to any
17 qualifying purchase. Wind and/or solar energy resource information, as
18 most recently published by the U.S. Department of Energy or the state
19 of _____, for the state shall also be provided to potential
20 purchasers prior to any qualifying purchase pursuant to the provisions
21 of this section.

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23 F. For the purpose of either credit provided for in this
24 section, qualifying renewable energy generating equipment shall carry,
25 as a minimum, a five-year limited warranty covering defects in design
26 and manufacture. For other than owner-installed systems, qualifying
27 renewable energy systems shall also carry, as a minimum, a five-year
28 limited warranty covering defects in installation.

1 G. Renewable energy resource equipment, such as wind data
2 loggers, qualifies for either credit.

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4 H. Qualifying renewable energy equipment shall be exempt from
5 the tax imposed by section _____ [sales tax].

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7 SECTION 2. This act shall become effective January 1, 2002.
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