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HOUSE BILL NO. 732

Offered January 9, 2008

Prefiled January 8, 2008

A BILL to amend the Code of Virginia by adding in Article 13 of Chapter 3 of Title 58.1 a section numbered 58.1-439.12:02, relating to an energy-efficient equipment tax credit.

Patrons—Caputo, Bouchard and Marsden

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Article 13 of Chapter 3 of Title 58.1 a section numbered 58.1-439.12:02 as follows:

§ 58.1-439.12:02. Energy-efficient equipment tax credit.

A. For taxable years beginning on or after January 1, 2008, any taxpayer owning commercial real property that is utilized for business purposes shall be allowed a credit against the tax imposed by §§ 58.1-320 and 58.1-400 in an amount equaling 25% of expenditures made on or after January 1, 2008, for energy-efficient equipment, as defined herein, for such commercial property.

B. For purposes of this section, "energy-efficient equipment" means equipment that (i) uses solar or geothermal energy, or any form of renewable energy approved by the Secretary of Natural Resources through regulations, (ii) is a substitute for traditional fossil fuel energy for water heating, active space heating and cooling, passive heating, and electricity generation, and (iii) is installed in commercial property. The term also includes related devices necessary for collecting, storing, exchanging, conditioning, or converting solar energy to other useful forms of energy.

C. The amount of the credit shall not exceed \$7,500 for all energy-efficient equipment expenditures made during the taxable year or the tax imposed by this chapter, whichever is less. In determining such expenditures, the labor of the taxpayer shall not be included. If the credit exceeds the tax imposed by this chapter for the taxable year, such excess may be carried over for the next five taxable years by the taxpayer.

D. For purposes of this section, the amount of any credit attributable to a partnership, electing small business corporation (S corporation), or limited liability company shall be allocated to the individual partners, shareholders, or members, respectively, in proportion to their ownership or interest in such business entities.

INTRODUCED

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