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HOUSE BILL NO. 883

Offered January 11, 2012

Prefiled January 11, 2012

A *BILL to amend the Code of Virginia by adding in Article 13 of Chapter 3 of Title 58.1 a section numbered 58.1-439.12:11, relating to income tax credits for investments in solar energy equipment.*

Patron—Sickles

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 58.1-439.12:11 as follows:

§ 58.1-439.12:11. Tax credit for investment in solar energy equipment.

A. For taxable years beginning on or after January 1, 2012, but before January 1, 2016, a taxpayer shall be allowed a credit against the taxes imposed by § 58.1-320 or § 58.1-400 in an amount equal to 10 percent of all expenditures paid by such taxpayer in the year for purchasing and installing equipment that (i) generates electricity from solar energy or (ii) uses solar energy to heat or cool a structure or provide hot water; however, a credit under this section shall be allowed only if the Department of Mines, Minerals and Energy has certified to the Tax Commissioner that the equipment for which the tax credit is applied provides a minimum of 10 percent of the energy needs of the structure in which it is installed. Such credit shall be available only in the taxable year that the purchase and installation of the equipment are completed.

B. The amount of credit allowed to the taxpayer under this section with respect to the purchase and installation of such solar energy equipment system shall not exceed \$1,000, and a taxpayer shall not be eligible for a credit under this section with respect to the purchase and installation of more than one equipment system in any taxable year. Only one such credit shall be permitted for each such solar energy equipment system. In determining such expenditures, the labor of the taxpayer shall not be included.

C. 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.

D. The amount of the credit shall not exceed the total amount of tax imposed by this chapter upon the taxpayer for the taxable year. Any credit not usable for the taxable year for which the credit was allowed may be carried over for credit against the income taxes of the taxpayer in the next five succeeding taxable years or until the total amount of the tax credit has been taken, whichever is sooner.

E. The Tax Commissioner shall develop guidelines implementing the provisions of this section. Such guidelines shall be exempt from the provisions of the Administrative Process Act (§ 2.2-4000 et seq.).

INTRODUCED

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