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HOUSE BILL NO. 1018

Offered January 10, 2018

Prefiled January 9, 2018

A *BILL to amend the Code of Virginia by adding in Article 3 of Chapter 3 of Title 58.1 a section numbered 58.1-339.13, relating to energy storage system tax credit.*

Patron—Toscano

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 3 of Chapter 3 of Title 58.1 a section numbered 58.1-339.13 as follows:

§ 58.1-339.13. Energy storage system tax credit.

A. As used in this section, "energy storage system" means a system used to store electrical energy, or mechanical, chemical, or thermal energy that was once electrical energy, for use as electrical energy at a later date or in a process that offsets electricity use at peak times.

B. A taxpayer shall be allowed a credit against the taxes levied pursuant to §§ 58.1-320 and 58.1-400 for the total installed costs of an energy storage system paid or incurred during the taxable year. A taxpayer eligible for credit pursuant to this subsection shall attach a certificate obtained pursuant to subsection C to his tax return on which the credit is claimed. Such credit shall not exceed the lesser of:

1. For an energy storage system installed on residential property, \$5,000, or for an energy storage system installed on commercial property, \$75,000;

2. Thirty percent of the total installed cost of the energy storage system; or

3. The taxpayer's liability for the taxable year under §§ 58.1-320 and 58.1-400.

C. A taxpayer entitled to a credit under subsection B shall apply to the Department of Mines, Minerals and Energy for a certificate that the taxpayer's expenditure is eligible for credit. The Department of Mines, Minerals and Energy:

1. Shall not issue an aggregate amount of tax credit certificates exceeding \$750,000 in a taxable year;

2. Shall approve properly filed applications in the order received;

3. Shall not allow taxpayers to carry forward unused credit to a later taxable year; and

4. Shall issue credit only for energy storage systems installed on and after January 1, 2018, but before January 1, 2023.

2. That the Department of Mines, Minerals and Energy shall promulgate regulations implementing the provisions of this act.

INTRODUCED

HB1018