

2001 SESSION

HOUSE SUBSTITUTE

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HOUSE BILL NO. 2474

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Finance
on January 22, 2001)

(Patrons Prior to Substitute—Delegates Plum [HB 2474] and Morgan [HB 2416])

A BILL to amend the Code of Virginia by adding a section numbered 58.1-436.1, relating to income tax credits for investments in solar energy equipment.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 58.1-436.1 as follows:

§ 58.1-436.1. Tax credit for investment in solar energy equipment.

A. For taxable years beginning on and after January 1, 2002, but before January 1, 2006, a taxpayer shall be allowed a credit against the taxes imposed by § 58.1-320 or § 58.1-400 in an amount equal to fifteen percent of all expenditures paid or incurred by such taxpayer 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 ten 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 any taxpayer under this section with respect to the purchase and installation of any equipment 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 expenditure. 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. If the amount of the credit exceeds the taxpayer's liability for such taxable year, the excess may be carried over for credit against income taxes in the next five taxable years until the total amount of the tax credit has been taken.

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