

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 3015 Session of
2006

INTRODUCED BY MCGILL, ADOLPH, BAKER, BOYD, CALTAGIRONE,
CAPPELLI, CREIGHTON, DeWEESE, FABRIZIO, FICHTER, FREEMAN,
GEIST, GEORGE, GOOD, GRUCELA, HERSHEY, KILLION, KOTIK,
MARKOSEK, MCILHATTAN, R. MILLER, PETRI, REICHLEY, RUBLEY,
B. SMITH, E. Z. TAYLOR, THOMAS, WALKO, WRIGHT, YOUNGBLOOD,
YUDICHAK AND MCILHINNEY, OCTOBER 17, 2006

REFERRED TO COMMITTEE ON ENVIRONMENTAL RESOURCES AND ENERGY,
OCTOBER 17, 2006

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
2 act relating to tax reform and State taxation by codifying
3 and enumerating certain subjects of taxation and imposing
4 taxes thereon; providing procedures for the payment,
5 collection, administration and enforcement thereof; providing
6 for tax credits in certain cases; conferring powers and
7 imposing duties upon the Department of Revenue, certain
8 employers, fiduciaries, individuals, persons, corporations
9 and other entities; prescribing crimes, offenses and
10 penalties," further providing, in sales and use tax, for
11 exclusions from tax.

12 The General Assembly of the Commonwealth of Pennsylvania
13 hereby enacts as follows:

14 Section 1. Section 204 of the act of March 4, 1971 (P.L.6,
15 No.2), known as the Tax Reform Code of 1971, is amended by
16 adding a clause to read:

17 Section 204. Exclusions from Tax.--The tax imposed by
18 section 202 shall not be imposed upon any of the following:

19 * * *

20 (65) The sale at retail or use of an eligible measure by an

individual purchaser for nonbusiness use of a solar energy system or any of the products for which a building energy efficiency measure is enumerated in this clause, provided that the product has been certified as in compliance with and qualifies as an Energy Star product pursuant to the Environmental Protection Agency and the Department of Energy, Energy Star Program and bears the Energy Star label. The exclusion of this clause does not include the leasing, rental, repair or servicing of such system or product. For the purposes of this clause, "solar energy system" means the equipment and requisite hardware that provide and are used for collecting, transferring, converting, storing or using incidental solar energy for water heating, space heating and cooling, generating electricity or other applications that would otherwise require the use of a conventional source of energy such as coal, petroleum products, natural gas, manufactured gas or electricity. Eligible solar water heating equipment must be certified by the Solar Rating and Certification Corporation and solar photovoltaic systems must bear a certification by the Florida Solar Energy Center. For the purposes of this clause, "building energy efficiency measure" includes all of the following products:

(i) "window or skylight" being an entire glazed unit designed for installation in an external wall of a residential building to allow for views and natural daylighting and that is Energy Star rated, regardless of whether it is fixed or operable;

(ii) "door" being a residential entry or patio door system, including the door leaf and frame, where applicable, and that is Energy Star rated;

1 (iii) "programmable clock thermostat" being a device that
2 enables the user to set one or more time periods each day when a
3 comfort setpoint temperature is maintained, one or more time
4 periods each day when an energy-saving setpoint temperature is
5 maintained and that may be capable of controlling one or more
6 zones of a conditioned space;

7 (iv) "insulation" being a material or substance whose
8 primary purpose is for insulating, including floor, ceiling,
9 wall or duct insulation used to retrofit an existing residential
10 building;

11 (v) "reflective white roof coating" being a white, acrylic
12 elastometric roof coating applied to the roof of a residential
13 building and used to deflect solar radiation and aiding in
14 reducing indoor air temperature;

15 (vi) "air source heat pump" being an air-source unitary heat
16 pump model consisting of one or more factory-made assemblies
17 which include an indoor conditioning coil, compressor and
18 outdoor coil, including a means to provide a heating function,
19 that provides the function of air heating with controlled
20 temperature, that may include the functions of air cooling, air
21 circulation, air cleaning, dehumidifying or humidifying, that
22 may be a single packaged system, where there is only one
23 assembly, or a split system, where there are two and that at a
24 minimum contains an Energy Star rating of: Heating Seasonal
25 Performance Factor (HSPF) 7.6, Energy Efficiency Ratio (EER)
26 10.5, and a Seasonal Energy Efficiency Ratio (SEER) 12 or higher
27 and for a split system, may be rated at a Heating Seasonal
28 Performance Factor (HSPF) 8;

29 (vii) "geo-thermal heat pump" being equipment that uses the
30 thermal energy of the ground or groundwater as the heat source

1 and heat sink for residential space heating or cooling, or both,
2 that may provide both space heating and cooling, cooling only or
3 heating only functions, that consists of one or more factory-
4 made assemblies that normally include an indoor conditioning
5 coil with air moving means, compressor and refrigerant to fluid
6 a heat exchanger, that provides a partial or all of the domestic
7 water heating through the use of a desuperheater, integrated
8 demand water heater or a separately installed compressor that
9 provides demand water heating, that includes all the equipment
10 and connections from the point at which the ground heat
11 exchanger enters the house, except for indoor equipment that was
12 installed by someone not representing the manufacturer or
13 manufacturer's representative, such as the ground heat exchanger
14 installer and that must, at a minimum, contain an Energy Star
15 rating of: Energy Efficiency Ratio (EER) 14.1, Coefficient of
16 Performance (COP) 3.3 for Closed Loop Systems, Energy Efficiency
17 Ratio (EER) 16.2 Coefficient of Performance (COP) 3.6 for Open
18 Loop Systems and Energy Efficiency Ratio (EER) 15 Coefficient of
19 Performance (COP) 3.5 for Direct Expansion Systems;

20 (viii) "boiler" being a self-contained fuel burning
21 appliance of less than 300,000 BTUs per hour energy input, for
22 supplying low pressure steam or hot water for space heating
23 applications, that provides hot water for domestic use and that
24 has an Annual Fuel Utilization Efficiency factor (AFUE) of 85 or
25 higher;

26 (ix) "furnace" a heating unit whose function is the
27 combustion of fossil fuel for space heating with forced hot air,
28 that includes a burner, heat exchanger, blower and connection to
29 a heating duct, that provides hot water for domestic use and
30 that, at a minimum, contains an Annual Fuel Utilization

1 Efficiency (AFUE) 90 or higher.
2 This clause shall apply to the fiscal year beginning July 1,
3 2006, and each fiscal year thereafter until the expiration of
4 this clause. This clause shall expire on June 30, 2009, unless
5 otherwise extended by an act of the General Assembly. The
6 Department of Revenue in conjunction with the Department of
7 Environmental Protection shall offer a review by December 31,
8 2008, of this clause showing the fiscal impact and offering an
9 evaluation of the program to the General Assembly.

10 Section 2. The Department of Revenue shall promulgate
11 regulations it deems necessary to implement the provisions of
12 this act and shall cooperate with the Department of
13 Environmental Protection in ensuring adherence to any energy and
14 environmental standards or criteria associated with this act.

15 Section 3. This act shall take effect immediately.