

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 6

Special Session No. 1 of  
2007-2008

INTRODUCED BY ERICKSON, C. WILLIAMS, COSTA, WOZNIAK, FONTANA,  
DINNIMAN, MUSTO, STOUT, RAFFERTY, TARTAGLIONE, O'PAKE,  
GREENLEAF, GORDNER, FERLO, WAUGH, WASHINGTON, D. WHITE,  
SCARNATI, STACK, EARLL, McILHINNEY, TOMLINSON, BROWNE,  
PILEGGI AND BAKER, OCTOBER 4, 2007

REFERRED TO ENERGY POLICIES, OCTOBER 4, 2007

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," authorizing a solar energy tax credit.

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

13 Section 1. The act of March 4, 1971 (P.L.6, No.2), known as  
14 the Tax Reform Code of 1971, is amended by adding an article to  
15 read:

ARTICLE XVII-F

SOLAR ENERGY TAX CREDIT

18 Section 1701-F. Scope.

19 This article provides for a solar energy tax credit.

20 Section 1702-F. Definitions.

The following words and phrases when used in this article shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Credit." A tax credit authorized under this article.

"Department." The Department of Revenue of the Commonwealth.

"Installation costs." Costs related to solar installation, including accessories and labor. The term does not include costs related to any equipment not directly integrated into a solar installation.

"Solar installation." An arrangement or combination of components utilizing solar radiation, which, when installed in a residence or business or other facility, produces energy designed to provide heating, cooling, hot water or electricity.

"Taxpayer." An entity or person subject to a tax under Article IV, VI, VII, VIII, IX or XV. Section 1703-F. Amount of credit.

A taxpayer shall receive a credit for the applicable taxable year equal to 25% of the installation costs for the taxpayer's solar installation.

Section 1704-F. Carryover, carryback, refund and assignment of credit.

(a) General rule.--If a taxpayer cannot use the entire amount of the credit for the taxable year in which the credit is first claimed, then the excess may be carried over to succeeding taxable years and used as a credit against the qualified tax liability of the taxpayer for those taxable years. Each time that the credit is carried over to a succeeding year, it shall be reduced by the amount that was used as a credit during the immediately preceding taxable year. The credit may be carried over and applied to succeeding taxable years for no more than 15

1 taxable years following the first taxable year for which the  
2 taxpayer was entitled to claim the credit.

3 (b) Application of credit.--Any credit shall first be  
4 applied against the taxpayer's qualified tax liability for the  
5 taxable year on which the credit was approved before the credit  
6 is applied against any succeeding tax liability under subsection  
7 (a).

8 (c) Limitations.--A taxpayer is not entitled to carry back  
9 or obtain a refund of an unused credit.

10 Section 1705-F. Regulations.

11 The department shall promulgate regulations necessary for the  
12 implementation and administration of this article.

13 Section 1706-F. Expiration.

14 This article shall expire December 31, 2020, or on the  
15 repeal, if any, of the act of November 30, 2004 (P.L.1672,  
16 No.213), known as the Alternative Energy Portfolio Standards  
17 Act, whichever occurs first.

18 Section 2. This act shall take effect in 60 days.