

LEGISLATIVE REFERENCE BUREAU

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No. _____

LEGISLATIVE REFERENCE BUREAU

AN ACT

Amending the act of July 9, 2008 (1st Sp.Sess., P.L.1873, No.1), known as the Alternative Energy Investment Act, repealing provisions relating to the Alternative Energy Production Tax Credit Program.

INTRODUCED _____ 20 _____

By _____ District NO. _____

By _____ District NO. _____

By _____ District NO. _____

By _____ District NO. _____

See next page for additional co-sponsors.

Referred to Committee on	
Date _____	20 _____
Reported _____	20 _____
As Committed-Amended	
Recommendation	

By Hon. _____	

AN ACT

1 Amending the act of July 9, 2008 (1st Sp.Sess., P.L.1873, No.1),
2 entitled "An act providing for alternative sources of energy;
3 establishing the Alternative Energy Development Program, the
4 Consumer Energy Program, the Home Energy Efficiency Loan
5 Program, the Home Energy Efficiency Loan Fund and the
6 Alternative Energy Production Tax Credit Program; and
7 providing for the powers and duties of the Department of
8 Environmental Protection," repealing provisions relating to
9 the Alternative Energy Production Tax Credit Program.

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

12 Section 1. Chapter 7 of the act of July 9, 2008 (1st
13 Sp.Sess., P.L.1873, No.1), known as the Alternative Energy
14 Investment Act, is repealed:

[CHAPTER 7

16 Section 701. Establishment.

17 There is established the Alternative Energy Production Tax
18 Credit Program.

19 Section 702. Definitions.

20 The following words and phrases when used in this chapter
21 shall have the meanings given to them in this section unless the

1 department.

2 Section 704. Award of tax credits.

3 (a) Qualification.--A taxpayer that is eligible under
4 section 703 shall receive an alternative energy production tax
5 credit for the taxable year in an amount equal to 15% of the
6 total amount of all development, equipment and construction
7 costs paid for alternative energy production projects, not to
8 exceed \$1,000,000 for each taxpayer, in the taxable year to be
9 applied against the taxpayer's qualified tax liability.

10 (b) Calculation.--In calculating the total amount of all
11 development, equipment and construction costs paid for
12 alternative energy production projects, the taxpayer shall
13 deduct the amount of any grant or other subsidy received in
14 relation to the alternative energy production project for which
15 the credit is sought by the taxpayer from a Federal, State or
16 local government entity, including an authority.

17 (c) Notification of applicant.--The department shall, within
18 90 days of receipt, review each application and notify the
19 applicant whether or not the applicant is approved for a tax
20 credit.

21 (d) Notification of Department of Revenue.--Upon
22 determination by the department that an approved applicant has
23 incurred costs for an alternative energy production project, the
24 Department of Revenue shall issue to an applicant a tax
25 certificate that sets forth the amount of alternative energy
26 production tax credit approved for the eligible applicant.

27 Section 705. Carryover, refund, assignment and carryback of
28 credit.

29 (a) Carryover.--If the taxpayer cannot use the entire amount
30 of the alternative energy production tax credit for the taxable

1 approval of applications under this subsection.

2 (2) Before an application is approved, the Department of
3 Revenue must make a finding that the applicant has filed all
4 required State tax reports and returns for all applicable
5 taxable years and paid any balance of State tax due.

6 (3) Notwithstanding any other provision of law, the
7 Department of Revenue shall assess the tax of an applicant
8 under this subsection within 120 days of the filing of all
9 required final returns or reports in accordance with section
10 806.1(a)(5) of the act of April 9, 1929 (P.L.343, No.176),
11 known as The Fiscal Code.

12 (e) Purchasers and assignees.--The purchaser or assignee of
13 all or a portion of a tax credit under subsection (d) shall
14 immediately claim the credit in the taxable year in which the
15 purchase or assignment is made. The amount of the tax credit
16 that a purchaser or assignee may use against any one qualified
17 tax liability may not exceed 50% of such qualified tax liability
18 for the taxable year. The purchaser or assignee may not carry
19 forward, carry back or obtain a refund of or sell or assign the
20 tax credit.

21 Section 706. Limitation on tax credits.

22 (a) Total.--The total amount of credits approved by the
23 department shall not exceed:

24 (1) \$5,000,000 in fiscal years 2008-2009 through 2011-
25 2012.

26 (2) \$8,000,000 in fiscal year 2012-2013.

27 (3) \$10,000,000 in fiscal years 2013-2014 through 2014-
28 2015.

29 (4) \$2,000,000 in fiscal year 2015-2016.

30 (b) Formula.--If the total amount of alternative energy

1 subsection (a) must immediately claim the credit in the taxable
2 year in which the transfer is made. The shareholder, member or
3 partner may not carry forward, carry back, obtain a refund of or
4 sell or assign the credit.

5 Section 708. Reporting.

6 (a) General rule.--No later than September 1 of each year,
7 the department, in consultation with the Department of Revenue,
8 shall submit a report to the General Assembly summarizing the
9 effectiveness of the tax credit provided under this chapter. The
10 report shall include the name of each taxpayer utilizing the
11 credit as of the date of the report and the amount of credits
12 approved for or utilized by each taxpayer. The report may also
13 include recommendation for changes in the calculation or
14 administration of the tax credit. The report shall be submitted
15 to the chairman and minority chairman of the Appropriations
16 Committee of the Senate, the chairman and minority chairman of
17 the Finance Committee of the Senate, the chairman and minority
18 chairman of the Appropriations Committee of the House of
19 Representatives and the chairman and minority chairman of the
20 Finance Committee of the House of Representatives. The report
21 shall include the following information, which shall be
22 separated by geographic location within this Commonwealth:

23 (1) The amount of credits claimed during the fiscal
24 year.

25 (2) The number of alternative energy production projects
26 receiving a tax credit and the dollar amount of tax credits
27 granted under this chapter in the aggregate and by project.

28 (3) The types, locations and costs of projects.

29 (4) The total amount spent in this Commonwealth during
30 the fiscal year by each alternative energy production

1 2007.

2 (2) The tax credit under this chapter shall apply to
3 alternative energy production projects commencing on or
4 after the effective date of this section.]

5 Section 2. This act shall take effect immediately.