

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 97

Session of
2007

INTRODUCED BY ADOLPH, BAKER, BARRAR, BEYER, BOYD, CALTAGIRONE, CAPPELLI, CAUSER, CURRY, DALEY, DALLY, DePASQUALE, EACHUS, FAIRCHILD, FREEMAN, GEORGE, GIBBONS, HARHART, HARPER, HENNESSEY, HERSHEY, HUTCHINSON, KILLION, KOTIK, LEACH, MANN, MARKOSEK, MELIO, METCALFE, R. MILLER, M. O'BRIEN, RAPP, RAYMOND, READSHAW, REICHLEY, ROAE, SAMUELSON, SCAVELLO, SIPTROTH, SONNEY, R. STEVENSON, SURRA, SWANGER, TRUE, WALKO, WANSACZ, WATSON, WHEATLEY, YOUNGBLOOD, GINGRICH AND ROSS, JANUARY 30, 2007

REFERRED TO COMMITTEE ON FINANCE, JANUARY 30, 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," 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 * * *

1 (67) The sale at retail or use of an eligible measure by an
2 individual purchaser for nonbusiness use of a solar energy
3 system or any of the products for which a building energy
4 efficiency measure is enumerated in this clause, provided that
5 the product has been certified as in compliance with and
6 qualifies as an Energy Star product pursuant to the
7 Environmental Protection Agency and the Department of Energy,
8 Energy Star Program and bears the Energy Star label. The
9 exclusion of this clause does not include the leasing, rental,
10 repair or servicing of such system or product. For the purposes
11 of this clause, "solar energy system" means the equipment and
12 requisite hardware that provide and are used for collecting,
13 transferring, converting, storing or using incidental solar
14 energy for water heating, space heating and cooling, generating
15 electricity or other applications that would otherwise require
16 the use of a conventional source of energy such as coal,
17 petroleum products, natural gas, manufactured gas or
18 electricity. Eligible solar water heating equipment must be
19 certified by the Solar Rating and Certification Corporation and
20 solar photovoltaic systems must bear a certification by the
21 Florida Solar Energy Center. For the purposes of this clause,
22 "building energy efficiency measure" includes all of the
23 following products:

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

29 (ii) "door" being a residential entry or patio door system,
30 including the door leaf and frame, where applicable, and that is

1 Energy Star rated;

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

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

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

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

30 (vii) "geo-thermal heat pump" being equipment that uses the

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

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

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

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

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

16 Section 3. This act shall take effect immediately.