

THE GENERAL ASSEMBLY OF PENNSYLVANIA

**SENATE BILL**

**No. 1091** Session of  
2007

INTRODUCED BY BROWNE, RAFFERTY, ERICKSON, ORIE, ARMSTRONG,  
PIPPY, WONDERLING, BAKER, WAUGH AND O'PAKE,  
SEPTEMBER 21, 2007

REFERRED TO FINANCE, SEPTEMBER 21, 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," providing for alternative energy investment  
11 rebate.

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

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

ARTICLE XXIX-D

ALTERNATIVE ENERGY INVESTMENT REBATE

19 Section 2901-D. Definitions.

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

1 "Alternative energy." Electrical, mechanical or thermal  
2 energy produced from a method that uses one or more of the  
3 following fuels or energy sources:

4 (1) Hydrogen.

5 (2) Biomass.

6 (3) Solar energy.

7 (4) Geothermal energy.

8 (5) Wind energy.

9 (6) Waste heat.

10 (7) Waste coal.

11 (8) Hydroelectric power.

12 "Alternative energy investment." An investment in an  
13 alternative energy system installed at a taxpayer's primary  
14 residence located in this Commonwealth.

15 "Alternative energy system." A system that generates energy  
16 from alternative energy sources as defined under the act of  
17 November 30, 2004 (P.L.1672, No.213), known as the Alternative  
18 Energy Portfolio Standards Act. The term shall not include a  
19 system that is defined as a demand-side management system  
20 consisting of the management of customer consumption of  
21 electricity or the demand for electricity.

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

23 "Taxpayer." A person or entity subject to tax under Article  
24 III.

25 Section 2902-D. Rebate qualifications.

26 Subject to section 2903-D, a rebate shall be issued to a  
27 taxpayer in the amount of 15% of the total amount of the  
28 alternative energy investment made by a taxpayer in a taxable  
29 year. The maximum rebate awarded under this section may not  
30 exceed \$250 and shall be in addition to any Federal tax rebate

1 or credit received by the taxpayer for alternative energy. By  
2 February 1 of each year, a taxpayer must submit an application  
3 to the department for a rebate of the alternative energy  
4 investment that was incurred in the taxable year that ended in  
5 the prior calendar year. If the amount of credits exceeds the  
6 limit established under section 2907-D, a taxpayer may reapply  
7 for an alternative energy investment rebate in the following tax  
8 year and shall be given priority for the rebate by the  
9 department.

10 Section 2903-D. Rebate administration.

11 (a) Procedures.--The department shall establish any  
12 administrative and application procedures and deadlines  
13 necessary to implement and administer this article. The  
14 department may enter into any contracts which are necessary to  
15 administer this article.

16 (b) Determination.--The department shall determine the  
17 number of rebates allowed each year under section 2907-D and  
18 shall submit to the Legislative Reference Bureau for publication  
19 in the Pennsylvania Bulletin the number of rebates.

20 Section 2904-D. Petitions for review.

21 A taxpayer whose rebate is either denied, corrected or  
22 otherwise adversely affected by the department may petition for  
23 administrative review in the manner prescribed by the  
24 department.

25 Section 2905-D. Penalties.

26 (a) Penalty.--Any taxpayer who receives a rebate through  
27 false or misleading information or who otherwise improperly  
28 receives a rebate may be required to do one or all of the  
29 following:

30 (1) Refund to the department the amount of rebate

1 received.

2 (2) Pay a civil penalty of \$1,000 to the department.

3 (b) Offset.--The department may offset any rebate due to a  
4 taxpayer against collectible liabilities owed to the  
5 Commonwealth by the taxpayer for taxes imposed under Article  
6 III.

7 Section 2906-D. Erroneous rebates.

8 If the department determines or finds a rebate to have been  
9 incorrectly or erroneously paid, it shall redetermine the  
10 correct amount of the rebate, if any, and notify the taxpayer of  
11 the reason for the correction and the amount of the rebate.

12 Section 2907-D. Limitation on tax credits.

13 The total amount of credits approved by the department shall  
14 not exceed \$20,000,000 in any fiscal year.

15 Section 2908-D. Construction.

16 Notwithstanding any other provision of law to the contrary,  
17 any rebate received under this article shall not be considered  
18 income under Article III or for purposes of determining  
19 eligibility for any State government program, including those  
20 programs authorized under Chapter 13 of the act of June 27, 2006  
21 (1st Sp.Sess., P.L.1873, No.1), known as the Taxpayer Relief  
22 Act, or Chapter 5 of the act of August 26, 1971 (P.L.351,  
23 No.91), known as the State Lottery Law.

24 Section 2909-D. Regulations.

25 The department shall promulgate regulations necessary for the  
26 implementation and administration of this article.

27 Section 2. The addition of Article XXIX-D of the act shall  
28 apply to tax years beginning after December 31, 2007.

29 Section 3. This act shall take effect immediately.