



LEGISLATIVE FISCAL OFFICE  
Fiscal Note

Fiscal Note On: **HB 595** HLS 11RS 1035

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

|                                                                      |         |                                |
|----------------------------------------------------------------------|---------|--------------------------------|
| <b>Date:</b> May 9, 2011                                             | 7:29 PM | <b>Author:</b> LABRUZZO        |
| <b>Dept./Agy.:</b> Revenue                                           |         |                                |
| <b>Subject:</b> Wind and Solar income tax credit with federal grants |         | <b>Analyst:</b> Deborah Vivien |

TAX CREDITS

EG NO IMPACT GF RV See Note

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Authorizes the wind or solar energy systems tax credit in addition to any federal grant for the same system

Current law provides a refundable income tax credit of 50% of the first \$25,000 of the installation cost of a wind or solar energy system in a residential structure. The credit may be used in addition to any federal tax credits for the same system.

Proposed law retains current law and allows the taxpayer to obtain the state credit in addition to any federal grants for the same system.

| EXPENDITURES   | 2011-12    | 2012-13    | 2013-14    | 2014-15    | 2015-16    | 5 -YEAR TOTAL     |
|----------------|------------|------------|------------|------------|------------|-------------------|
| State Gen. Fd. | \$0        | \$0        | \$0        | \$0        | \$0        | <b>\$0</b>        |
| Agy. Self-Gen. | \$0        | \$0        | \$0        | \$0        | \$0        | <b>\$0</b>        |
| Ded./Other     | \$0        | \$0        | \$0        | \$0        | \$0        | <b>\$0</b>        |
| Federal Funds  | \$0        | \$0        | \$0        | \$0        | \$0        | <b>\$0</b>        |
| Local Funds    | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <b><u>\$0</u></b> |
| Annual Total   | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b>        |

| REVENUES       | 2011-12    | 2012-13    | 2013-14    | 2014-15    | 2015-16    | 5 -YEAR TOTAL     |
|----------------|------------|------------|------------|------------|------------|-------------------|
| State Gen. Fd. | \$0        | \$0        | \$0        | \$0        | \$0        | <b>\$0</b>        |
| Agy. Self-Gen. | \$0        | \$0        | \$0        | \$0        | \$0        | <b>\$0</b>        |
| Ded./Other     | \$0        | \$0        | \$0        | \$0        | \$0        | <b>\$0</b>        |
| Federal Funds  | \$0        | \$0        | \$0        | \$0        | \$0        | <b>\$0</b>        |
| Local Funds    | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <b><u>\$0</u></b> |
| Annual Total   | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b>        |

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. The Department of Revenue indicates that allowing the credit in addition to federal grants for the same system is currently practiced. This legislation simply codifies that practice.

According to the Department of Revenue, wind & solar tax credits claimed against both corporate and individual tax liabilities have been \$1.287 million in FY09, \$8.006 million in FY10, and \$8.113 million in FY11 to date.

|                                                                             |                     |                                                                                            |                                               |
|-----------------------------------------------------------------------------|---------------------|--------------------------------------------------------------------------------------------|-----------------------------------------------|
| Senate                                                                      | Dual Referral Rules | House                                                                                      |                                               |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}       |                     | <input type="checkbox"/> 6.8(F)1 >= \$500,000 Annual Fiscal Cost {S}                       |                                               |
|                                                                             |                     | <input type="checkbox"/> 6.8(F)2 >= \$100,000 Annual SGF Cost {H&S}                        |                                               |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} |                     | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} | <b>Gregory V. Albrecht</b><br>Chief Economist |