

# MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION  
2

3 ONE HUNDRED AND ELEVENTH LEGISLATURE  
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5 Legislative Document

No. 57

6  
7 H.P. 52

House of Representatives, January 5, 1983

8 Reference to the Committee on Energy and Natural Resources suggested  
9 and ordered printed.

10 EDWIN H. PERT, Clerk

11 Presented by Representative Webster of Farmington.

12 STATE OF MAINE  
13

14 IN THE YEAR OF OUR LORD  
15 NINETEEN HUNDRED AND EIGHTY-THREE  
16

17 AN ACT Relating to Renewable Energy  
18 Systems' Tax Credits.  
19

20 Be it enacted by the People of the State of Maine as  
21 follows:

22 36 MRSA §5127, sub-§3, as amended by PL 1981, c.  
23 706, §36, is further amended to read:

24 3. Income tax credit for installation of renew-  
25 able energy systems. A taxpayer who purchases and  
26 installs a renewable energy system in this State  
27 shall be allowed a credit against the tax otherwise  
28 due under this Part equal to 20% of the purchase  
29 price of the system, including sales tax, or \$100  
30 whichever is less. For purposes of this subsection,  
31 the total cost of materials and services, excluding  
32 any value for personal labor, necessary for an indi-  
33 vidual to construct a renewable energy system for

1 personal use, shall constitute the purchase price of  
2 that system for purposes of computing the tax credit  
3 permitted under this subsection. The credit is allow-  
4 able against taxes due only for the year in which  
5 installation is completed and only for the initial  
6 purchase of new equipment. No more than one taxpayer  
7 may claim the credit for any installation. In no case  
8 may this credit be claimed more than once by any tax-  
9 payer and in no case may this credit reduce the state  
10 income tax to less than zero. Credit shall not be  
11 claimed when the energy system qualifies for other  
12 state income tax credits. This subsection shall  
13 remain in effect until January 1, 1984.

14 A. As used in this subsection, "renewable energy  
15 system" means a system, including any of the sys-  
16 tems defined in this paragraph, which are  
17 designed primarily to provide heating, to provide  
18 cooling, to produce electrical power, to produce  
19 mechanical power, to heat water or any combina-  
20 tion thereof, by means of collecting and trans-  
21 ferring solar, wood or wind-generated energy into  
22 such uses and which system also may have the  
23 capability of storing the energy for future use.

24 (1) "Solar energy system" means equipment  
25 which uses solar energy to heat, cool or  
26 produce electricity.

27 (a) An "active solar system" means an  
28 assembly of collectors, thermal storage  
29 device or devices and transfer liquid  
30 which converts solar energy into ther-  
31 mal energy and in which energy in addi-  
32 tion to solar is used to accomplish the  
33 transfer of thermal energy or devices,  
34 such as photovoltaics, which convert  
35 solar energy into electrical energy.

36 (b) A "passive solar system" means an  
37 assembly of natural and architectural  
38 components including collectors, ther-  
39 mal storage device or devices and  
40 transfer fluid which converts solar  
41 energy into thermal energy in a con-  
42 trolled manner and in which no fans or  
43 pumps are used to accomplish the trans-

1                   fer of thermal energy. The prime ele-  
2                   ments in a passive solar system are  
3                   usually some form of thermal capaci-  
4                   tance and solar energy control.

5                   (2) A "wind energy system" includes any  
6                   machine or device which converts available  
7                   wind energy into electrical or mechanical  
8                   output form. A wind energy system has 4  
9                   subsystems:

10                   (a) A rotor;

11                   (b) Power processing components;

12                   (c) Frame; and

13                   (d) Controlled components.

14                   (3) "Wood furnace" means a wood burning  
15                   appliance designed to operate as part of a  
16                   central heating system. The furnace may  
17                   burn wood solely or in combination with  
18                   another fuel. "Central heating system"  
19                   means a system whereby heat is produced in a  
20                   central combustion chamber and distributed  
21                   by a series of pipes, ducts or similar  
22                   physical distribution system throughout a  
23                   building or group of buildings. "Wood fur-  
24                   nace" does not include a "fireplace," mean-  
25                   ing a hearth, fire chamber of similarly pre-  
26                   pared place with a chimney intended to be  
27                   useable usable in an open configuration  
28                   whether or not it can also be closed or  
29                   operated closed; or a "wood stove," meaning  
30                   a wood burning appliance designed primarily  
31                   for space heating purposes.

32                   STATEMENT OF FACT

33                   A 1980 Attorney General's opinion interpreted  
34                   current law as prohibiting the granting of tax cred-  
35                   its to individuals who buy materials and construct  
36                   their own renewable energy systems. This bill modi-  
37                   fies the law to make it clear that "qualified

1 home-built" renewable energy systems are eligible for  
2 income tax credits.

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