

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
109TH LEGISLATURE
FIRST REGULAR SESSION

(Filing No. H-687)

COMMITTEE AMENDMENT "A" to H.P. 851, L.D. 1051, Bill,
"AN ACT to Provide a State Income Tax Credit for Installation
of a Wood Stove."

Amend the bill by striking out the title and inserting
in its place the following:

'AN ACT to Provide a State Income Tax Credit for In-
stallation of Renewable Energy Systems.'

Further amend the bill by striking out sections 1 and 2
and inserting in its place the following:

'Sec. 1. 36 MRSA §5127, sub-§3 is enacted to read:

3. Income tax credit for installation of renewable energy
systems.

/ A taxpayer who purchases and installs a renewable energy
system in this State shall be allowed a credit against the tax
otherwise due under this Part equal to 20% of the purchase price
of the system, including sales tax, or \$100 whichever is less.
The credit is allowable against taxes due only for the year in
which installation is completed and only for the initial pur-
chase of new equipment. No more than one taxpayer may claim
the credit for any installation. In no case may this credit
be claimed more than once by any taxpayer and in no case may
this credit reduce the state income tax to less than zero.
Credit shall not be claimed when the energy system qualifies

for other income tax credits.

A. As used in this subsection, "renewable energy system" means a system, including any of the systems defined in paragraph, this/which are designed primarily to provide heating, to provide cooling, to produce electrical power, to produce mechanical power, to heat water or any combination thereof, by means of collecting and transferring solar, wood or wind-generated energy into such uses and which system also may have the capability of storing the energy for future use.

(1) "Solar energy system" / ^{means} equipment which uses solar energy to heat, cool or produce electricity.

(a) An "active solar system" / ^{means} an assembly of collectors, thermal storage device or devices and transfer liquid which converts solar energy into thermal energy and in which energy in addition to solar is used to accomplish the transfer of thermal energy.

(b) A "passive solar system" / ^{means} an assembly of natural and architectural components including collectors, thermal storage device or devices and transfer fluid which converts solar energy into thermal energy in a controlled manner and in which no fans or pumps are used to accomplish the transfer of thermal energy. The prime elements in a passive solar system are usually some form of thermal capacitance and solar energy control.

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

- (a) A rotor;
- (b) Power processing components;
- (c) Frame; and
- (d) Controlled components.

(3) A "wood furnace" ^{means} a wood burning appliance designed to operate as a central heating system. The furnace may burn wood solely or burn wood in combination with another fuel. A "central heating system" means using central furnaces to distribute heat by a series of pipes, ducts or similar distribution system throughout a single building or group of buildings. A wood furnace shall not include a fireplace, meaning a hearth, fire chamber or similarly prepared place with a chimney intended to be usable in an open configuration whether or not it can also be closed and operated closed; or a "wood stove" meaning a wood burning appliance designed for space heating purposes which does not operate as a central heating system.

Sec. 2. Retroactivity. This Act is retroactive to January 1, 1979.

Fiscal Note

legislation
This / will result in an estimated loss of revenue to the General Fund to \$50,000 in fiscal year 1979-80 and \$58,000 in

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fiscal year 1980-81. This / ^{legislation} will also result in a loss of
revenue to the Dedicated Municipal Revenue Sharing Fund of
approximately \$2,084 in fiscal year 1979-80 and \$2,416 in fiscal
year 1980-81.

Statement of Fact

This amendment extends the income tax credit proposed by
the bill to all facilities installed which qualify as renewable
energy systems using renewable resources as the source of energy.
Renewable resources include wood, solar and wind. As amended,
wood stoves do not qualify for the credit; wood central heating
systems do qualify. This amendment also adds a fiscal note
indicating a loss of revenue to the General Fund and, consequently,
a loss of revenue to the Dedicated Municipal Revenue Sharing Fund.

Reported by the Committee on Taxation
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6/8/79 (Filing No. H-687)