

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES (Filing No. H-972)
109TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1770, L.D. 1900, Bill,
"AN ACT to Provide a State Income Tax Credit for Installation of
Renewable Energy Systems."

Amend the Bill by striking out all of sections 2 and 3
and inserting in their place the following:

'Sec. 2. 36 MRSA §5127, sub-§4 is enacted to read:

4. Renewable energy systems. A resident individual who purchases or builds and installs in his principal residence located in this State, or who purchases or builds a new home in this State for use as his principal residence which incorporates a solar energy system, wind energy system, wood furnace or self-contained wood-fired hot water heater shall be allowed a credit against the tax otherwise due under this Part equal to 25% of the purchase price or cost of materials of the system, furnace or hot water heater, including sales tax and installation, or \$100, whichever is less. The credit is earned in the year in which installation is completed or the new home is first occupied.

Any unused credit may be carried over to the following year or years for a period not to exceed 2 years, including the year the credit was earned and may be deducted from the taxpayer's tax for such year or years.

A. "Solar energy system" means equipment which uses solar energy to heat, cool or produce electricity and includes active and passive solar systems.

(1) "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.

(2) "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.

B. A "wind energy system" includes any machine or device which converts available wind energy into electrical or mechanical output form and is comprised of a rotor, power processing components, electrical storage components, frame and controlled components.

C. "Wood furnace" means a wood burning appliance designed and used as part of a central heating system. The furnace may burn wood solely or in combination with another fuel.

"Central heating system" means a system using central furnaces in conjunction with a series of pipes, ducts or similar conduits attached to the furnace and used
to distribute heat throughout a single building or group of buildings. A wood furnace does not include the pipes, ducts or similar conduits used to distribute the heat, but does include any thermal storage unit which is an essential component of the

wood furnace. A wood furnace does not include a fireplace or a wood stove unless the wood stove is purchased and used solely as an integral part of a central heating system.
"Fireplace" includes a hearth, fire chamber or similarly prepared place with a chimney intended to be usable in an open configuration regardless of whether it can also be operated closed. "Wood stove" means a wood burning appliance designed for space heating purposes.

The State Tax Assessor shall seek a determination from the Office of Energy Resources as to the qualification for credit of any purported solar energy system, wind energy system, self-contained, wood-fired hot water heater or wood furnace which does not clearly qualify for this credit, and the determination of that office shall be final.
repeal.

Sec. 3. Effective date; / This Act becomes effective for tax years beginning on or after January 1, 1980, and is repealed for the tax years beginning on January 1, 1985.'

Fiscal Note

This legislation will result in an estimated loss of revenue to the General Fund of \$202,750 $\leftarrow \rightarrow$ in fiscal years 1980-81.

Statement of Fact

This amendment includes renewable energy systems which are built by the person claiming the credit and adds a credit for self-contained, wood-fired hot water heaters. It includes batteries as a part of a wind energy system and excludes heating pipes and ducts from the definition of wood furnace. It also clarifies the definition of wood stove.

This amendment also expands the credit from 20% to 25% of the purchase price or cost of materials up to a maximum credit of \$100.

Reported by the Committee on Taxation
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