

MAINE STATE LEGISLATURE

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Minority

L.D. 1586

DATE: 6/1/15

(Filing No. H-666)

UTILITIES AND ENERGY

Minority

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
122ND LEGISLATURE
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "B" to H.P. 1122, L.D. 1586, Bill, "An Act To Encourage the Use of Solar Energy"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

Sec. 1. 35-A MRSA §3211-B is enacted to read:

§3211-B. Solar energy rebate program; fund

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Qualified solar energy system" means a solar photovoltaic system or a solar thermal system.

B. "Solar photovoltaic system" means a solar energy device with a peak generating capacity of 100 kilowatts or less used for generating electricity for use in a residence or place of business.

C. "Solar thermal system" means a configuration of solar collectors and a pump, heat exchanger and storage tank or fans designed to heat water or air. Solar thermal system types include forced circulation, integral collector storage, thermosyphon and self-pumping systems.

COMMITTEE AMENDMENT

2 2. Solar energy rebate program. To the extent that funds
3 are available in the fund established in subsection 3, an owner
4 or tenant of residential or commercial property located in the
5 State is entitled to a rebate for a qualified solar energy system
6 that is installed in accordance with this subsection after July
7 1, 2005 that will be connected to the electrical grid.

8
9 A. A solar photovoltaic system qualifies for a rebate of \$3
10 per watt on the first 2,000 watts of installed capacity and
11 \$1 per watt for the next 1,000 watts if:

12 (1) For a system installed after July 1, 2005 but
13 before January 1, 2007, the system is installed by a
14 master electrician who has completed a training course
15 to prepare for certification by a North American board
16 of certified energy practitioners or by a master
17 electrician working in conjunction with either a person
18 who has been certified by a North American board of
19 certified energy practitioners or a person who has
20 completed a training course to prepare for
21 certification by a North American board of certified
22 energy practitioners; or

23 (2) For a system installed on or after January 1, 2007,
24 the system is installed by a master electrician who has
25 been certified by a North American board of certified
26 energy practitioners or by a master electrician working
27 in conjunction with a person who has been certified by
28 a North American board of certified energy
29 practitioners.

30
31 B. A solar thermal system designed to heat water qualifies
32 for a rebate of 25% of the cost of the system, including
33 installation, or \$500, whichever is less, if the system is
34 installed by a licensed plumber who has been certified by
35 the commission to install such systems or by a licensed
36 plumber working in conjunction with a person who has been
37 certified by the commission to install such systems.

38 C. A solar thermal system designed to heat air qualifies
39 for a rebate of 25% of the cost of the system, including
40 installation, or \$500, whichever is less.

41 In the case of a newly constructed residence, the rebate must be
42 available to the original owner or occupant.

43
44 3. Fund. The solar energy rebate program fund is
45 established to be used solely for the purposes of this section.
46 The fund receives funds transferred from the General Fund

2 pursuant to this subsection. Any interest on funds in the fund
3 must be credited to the fund. Funds not spent in any fiscal year
4 remain in the fund to be used for the purposes of this section.

5 Notwithstanding any other provision of law, the State Controller
6 shall transfer \$500,000 each fiscal year beginning in fiscal year
7 2005-06 from the General Fund undedicated revenue to the fund for
8 the purposes specified in this section,

10 4. Rules. The commission shall adopt rules necessary to
11 implement the provisions of this section, including procedures
12 and standards for demonstrating qualification for a rebate under
13 this section. Rules adopted under this subsection are routine
14 technical rules as defined in Title 5, chapter 375, subchapter
15 2-A.

16 5. Report. The commission shall report by December 1st of
17 each year to the joint standing committee of the Legislature
18 having jurisdiction over utilities and energy matters a
19 description of actions taken by the commission pursuant to this
20 section during the prior 12 months.

22 **Sec. 2. 36 MRS §2016 is enacted to read:**

24 **§2016. Solar energy equipment; reimbursement of sales tax**

26 1. Reimbursement allowed. A reimbursement is allowed as
27 provided in this section for tax paid pursuant to this Part with
28 respect to the purchase of a qualified solar energy system that
29 has been installed in this State. The reimbursement is allowed
30 for purchases of qualified solar systems that occur on or after
31 July 1, 2005. As used in this section, the term "qualified solar
32 energy system" has the same meaning as in Title 35-A, section
33 3211-B, subsection 1, paragraph A.

34 2. Claim for reimbursement. A claim for reimbursement under
35 this section must be filed by the purchaser with the assessor
36 within 3 years from the date on which the qualified solar energy
37 system was purchased. The reimbursement claim must be submitted
38 on a form prescribed by the assessor. The reimbursement claim
39 must be accompanied by an affidavit from the seller of the
40 qualified solar energy system certifying that the system for
41 which the tax was paid is a qualified solar energy system or a
42 portion of such a system, as well as any such additional
43 information as the assessor may require. All records pertaining to
44 such certification and to the sale transaction must be retained
45 by the purchaser for at least 6 years.

46 3. Audit. The assessor has the authority to audit any claim
47 filed under this section. If the assessor determines that the
48 claim is not eligible for reimbursement, the assessor shall
49 notify the purchaser in writing of the reasons for the determination.
50 The assessor shall also notify the purchaser of the amount of the

amount of the claimed reimbursement is incorrect, the assessor shall redetermine the claim and notify the claimant in writing of the redetermination. If the claimant has received reimbursement of an amount that the assessor concludes should not have been reimbursed, the assessor may issue an assessment for that amount within 3 years from the date the reimbursement claim was filed or at any time if a fraudulent reimbursement claim was filed. The claimant may seek reconsideration, pursuant to section 151, of the redetermination or assessment.

4. Payment of claims. The assessor shall determine the benefit for each claimant under this section and certify the amount to the State Controller to be transferred to a solar energy reimbursement reserve account established, maintained and administered by the State Controller from General Fund undedicated revenue within the sales tax category. The assessor shall certify the amount to the State Controller for each approved applicant that qualifies for reimbursement under this section within 90 days after receipt of a properly completed claim. Interest is not allowed on any payment made to a claimant pursuant to this section.

Sec. 3. 36 MRSA §5219-Y is enacted to read:

§5219-Y. Income tax credit for solar thermal system

1. Credit amount. A person who purchases and installs a qualified solar thermal system in this State is allowed a credit against the taxes imposed by this Part equal to 25% of the cost of the system, including installation costs, or \$500, whichever is less. The credit is allowed in the taxable year in which the qualified solar thermal system is first placed in service. The credit is allowed in tax years beginning on or after January 1, 2005. For purposes of this section, "qualified solar thermal system" has the same meaning as provided by Title 35-A, section 3211-B, subsection 1, paragraph C. The person claiming the credit shall provide an affidavit from the seller of the system that the system is eligible for the credit allowed by this section in a manner required by the assessor at the time the return claiming the credit is filed.

2. Limitation; carry-over. If the credit allowed by this section exceeds the taxpayer's total tax due, the amount of the credit not used may be carried over as a credit against the taxpayer's tax liability for any of the next succeeding 3 taxable years. The credit allowed, including carry-overs, may not reduce the tax otherwise due under this Part to less than zero.

Sec. 4. Standards. The Public Utilities Commission in establishing procedures and standards for demonstrating

2 qualification for a rebate under the Maine Revised Statutes,
 4 Title 35-A, section 3211-B shall allow a person to demonstrate
 6 the date a system was installed by the date of a net metering
 arrangement with a transmission and distribution utility or a
 dated bill of sale for the system.

8 **Sec. 5. Appropriations and allocations.** The following
 appropriations and allocations are made.

10 **ADMINISTRATIVE AND FINANCIAL SERVICES,**
 12 **DEPARTMENT OF**

14 **Maine Revenue Services 0002**

Initiative: Provides funds for the computer programming costs
 16 associated with the income tax credit for the installation of a
 solar thermal system.

18	GENERAL FUND	2005-06	2006-07
20	All Other	\$30,000	\$0
22	GENERAL FUND TOTAL	<hr/> \$30,000	<hr/> \$0

24 **ADMINISTRATIVE AND FINANCIAL SERVICES,**
 26 **DEPARTMENT OF**
DEPARTMENT TOTALS

28	GENERAL FUND	\$30,000	\$0
30	DEPARTMENT TOTAL - ALL FUNDS	<hr/> \$30,000	<hr/> \$0

32 **PUBLIC UTILITIES COMMISSION**

34 **Solar Energy Rebate Program Fund (new)**

36 Initiative: Allocates funds for the Solar Energy Rebate Program
 38 Fund. The source of funds is an annual transfer from the
 undedicated revenue of the General Fund.

40	OTHER SPECIAL REVENUE FUNDS	2005-06	2006-07
42	All Other	\$500,000	\$500,000
44	OTHER SPECIAL REVENUE FUNDS TOTAL	<hr/> \$500,000	<hr/> \$500,000

46 **PUBLIC UTILITIES COMMISSION**
DEPARTMENT TOTALS

48	OTHER SPECIAL REVENUE FUNDS	\$500,000	\$500,000
50	DEPARTMENT TOTAL - ALL FUNDS	<hr/> \$500,000	<hr/> \$500,000

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2 program and provides that the commission shall allow a person to
demonstrate the date a system was installed by the date of a net
4 metering arrangement with a transmission and distribution utility
or a dated bill of sale for the system.

6 6. It modifies the sales tax exemption for installations of
qualified solar energy equipment to provide for a tax
8 reimbursement rather than an exemption, to allow systems
installed on or after July 1, 2005 to qualify and to provide for
10 administrative procedures to implement the reimbursement program.

12 7. It modifies the income tax credit to provide for
administrative procedures to implement the credit and to clarify
14 that the credit is allowed in tax years beginning on or after
January 1, 2005.

FISCAL NOTE REQUIRED
(See attached)



122nd MAINE LEGISLATURE

LD 1586

LR 2277(03)

An Act To Encourage the Use of Solar Energy

Fiscal Note for Bill as Amended by Committee Amendment *B*

Committee: Utilities and Energy

Fiscal Note Required: Yes

Minority Report

Fiscal Note

	2005-06	2006-07	Projections 2007-08	Projections 2008-09
Net Cost (Savings)				
General Fund	\$708,412	\$694,735	\$733,436	\$780,123
Appropriations/Allocations				
General Fund	\$30,000	\$0	\$0	\$0
Other Special Revenue Funds	\$500,000	\$500,000	\$500,000	\$500,000
Revenue				
General Fund	(\$678,412)	(\$694,735)	(\$733,436)	(\$780,123)
Other Special Revenue Funds	\$490,412	\$489,535	\$487,196	\$484,635

Fiscal Detail and Notes

The income tax credit and sales tax reimbursement contained in this bill are expected to reduce General Fund revenue by \$178,412 in fiscal year 2005-06 and \$194,735 in fiscal year 2006-07. Other Special Revenue for Municipal Revenue Sharing will be reduced by small amounts. This bill also includes a General Fund appropriation of \$30,000 for Maine Revenue Services for the related computer programming costs.

This bill authorizes annual transfers in the amount of \$500,000 from the General Fund to support the Solar Rebate Program Fund and provides Other Special Revenue allocations to accept the amounts transferred.

The additional costs associated with administering solar energy programs can be absorbed by the Public Utilities Commission utilizing existing budgeted resources.