

STATE OF OKLAHOMA

1st Session of the 43rd Legislature (1991)

HOUSE BILL NO. 1311

BY: CROCKER

AS INTRODUCED

AN ACT RELATING TO REVENUE AND TAXATION; AUTHORIZING  
INCOME TAX CREDITS FOR CERTAIN RENEWABLE ENERGY  
SYSTEMS; SPECIFYING AMOUNTS OF CREDITS; PROVIDING  
PROCEDURES RELATED THERETO; PROVIDING FOR  
CODIFICATION; AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified  
in the Oklahoma Statutes as Section 2357.32 of Title 68, unless  
there is created a duplication in numbering, reads as follows:

A. 1. For all taxable years beginning after December 31, 1991,  
any taxpayer, having a renewable energy system installed on  
residential property in this state, may claim a credit against the  
tax imposed by Section 2355 of this title. In determining the  
amount of credit allowed, the taxpayer may include in the total  
costs of the renewable energy system such direct expenses incurred  
for equipment, construction and installation of the system, less all  
rebates and remunerations of any type resulting from the  
installation. For the purposes of the allowable tax credit provided  
for in this subsection, the total cost allowed to be claimed shall  
not exceed Six Thousand Dollars (\$6,000.00) for solar thermal

equipment and Twenty Thousand Dollars (\$20,000.00) for wind and solar photovoltaic equipment. Solar thermal equipment must provide useful energy on a year-round basis to qualify for this credit.

2. The following percentage of the qualified renewable energy system expenditures shall be allowed as a credit under the provisions of this subsection for the taxable year in which the cost is incurred:

Taxable Year	Percentage of Expenditure
a. 1992	40%
b. 1993	40%
c. 1994	30%
d. 1995	20%
e. 1996	10%

3. If the tax credit allowable to a taxpayer for the cost of a renewable energy system exceeds the taxes due on the income of the taxpayer, the amount of the claim not used as an offset against the income taxes of a taxable year may be carried forward as a credit against subsequent income tax liability for a period not to exceed five (5) years.

B. 1. For all taxable years beginning after December 31, 1991, any taxpayer, having a renewable energy system installed on nonresidential property in this state, may claim a credit against the tax imposed by Section 2355 of this title. In determining the amount of credit allowed, the taxpayer may include in the total costs of the renewable energy system such direct expenses incurred for equipment, construction and installation of the system, less all rebates and remunerations of any type resulting from the installation. Solar thermal equipment must provide useful energy on a year-round basis to qualify for this credit.

2. The following percentage of the qualified renewable energy system expenditures shall be allowed as a credit under the

provisions of this subsection for the taxable year in which the cost is incurred:

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a. 1992	30%
b. 1993	30%
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3. If the tax credit allowable to a taxpayer for the cost of a renewable energy system exceeds the taxes due on the income of the taxpayer, the amount of the claim not used as an offset against the income taxes of a taxable year may be carried forward as a credit against subsequent income tax liability for a period not to exceed five (5) years.

C. An itemized accounting of the cost and an affidavit attesting to the facts thereof shall be furnished to the taxpayer by the supplier of the renewable energy system. The itemized accounting shall include the amounts properly attributable to the cost of construction, reconstruction, remodeling, installation and acquisition of the renewable energy system. The taxpayer shall include a copy of said accounting when claiming either credit provided for in this section.

D. Solar modules, both thermal and photovoltaic, and wind turbines shall be certified by the Solar Rating and Certification Corporation (SRCC), the American Wind Energy Association (AWEA), or other nationally recognized certification agency in order to qualify for the credits provided for in this section. Product performance specifications conforming the SRCC, Jet Propulsion Laboratory (JPL), or AWEA standards, as appropriate, for renewable energy generating equipment shall be provided to potential purchasers prior to any qualifying purchase. Solar and/or wind energy resource information, as most recently published by the U.S. Department of Energy, for the

state shall also be provided to potential purchasers prior to any qualifying purchase pursuant to the provisions of this section.

E. For purposes of either credit provided for in this section, qualifying renewable energy generating equipment shall carry, as a minimum, a three-year warranty against defects in design, manufacture or installation.

F. For purposes of either credit provided for in this section, qualifying renewable energy technologies shall include solar energy, wind energy, and geothermal energy.

G. To be eligible for either credit under this section, a passive solar energy system must contain the following elements:

1. Solar energy collection surface;
2. Solar energy thermal storage; and
3. Solar energy control and distribution elements.

H. Renewable energy resource assessment equipment qualifies for either credit provided for in this section, if said equipment is utilized solely for the purpose of determining the feasibility of installing renewable energy systems.

SECTION 2. This act shall become effective January 1, 1992.

43-1-5600

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