

EHB 1387

1 THE STATE SENATE  
2 Tuesday, April 10, 2007

3 ENGROSSED

4 House Bill No. 1387

5 As Amended

6 ENGROSSED HOUSE BILL NO. 1387 - By: TERRILL, DORMAN, KEY, COVEY,  
7 LIEBMANN, AUFFET, JETT, NATIONS, KIESEL, McMULLEN, LUTTRELL and  
8 WALKER of the House and WILSON and SPARKS of the Senate.

9 [ revenue and taxation - income tax credits - wind and/or  
10 photovoltaic energy systems - sales tax exemptions -  
11 codification - effective dates -  
12 emergency ]

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

14 SECTION 1. NEW LAW A new section of law to be codified  
15 in the Oklahoma Statutes as Section 2357.301 of Title 68, unless  
16 there is created a duplication in numbering, reads as follows:

17 A. 1. For all taxable years beginning after December 31, 2006,  
18 any taxpayer, having a wind and/or photovoltaic energy system  
19 installed on residential property in this state, may claim a credit  
20 against the tax imposed by Section 2355 of Title 68 of the Oklahoma  
21 Statutes. In determining the amount of credit allowed, the taxpayer  
22 may include in the total costs of the wind and/or photovoltaic  
23 energy system such direct expenses incurred for equipment,  
24 construction, and installation of the system, less all seller  
25 rebates and remunerations of any type resulting from the  
26 installation.

1           2. The following percentage of the qualified wind and/or  
2 photovoltaic energy system expenditures shall be allowed as a credit  
3 under the provisions of this subsection for the taxable year in  
4 which the cost is incurred:

5	Taxable Year	Percentage of Expenditure
6	a. 2007	40%
7	b. 2008	40%
8	c. 2009	40%
9	d. 2010	40%
10	e. 2011	40%

11           B. If the tax credit allowable to the taxpayer for the cost of  
12 a wind and/or photovoltaic energy system pursuant to subsection A of  
13 this section exceeds the taxes due on the income of the taxpayer,  
14 the amount of the claim not used as an offset against the income  
15 taxes of a taxable year may be carried forward as a credit against  
16 subsequent income tax liabilities for up to ten (10) years.

17           C. 1. For all taxable years beginning after December 31, 2006,  
18 any taxpayer, having a wind and/or photovoltaic energy system  
19 installed on nonresidential property in this state, may claim a  
20 credit against the tax imposed by Section 2355 of Title 68 of the  
21 Oklahoma Statutes. In determining the amount of credit allowed, the  
22 taxpayer may include in the total costs of the wind and/or  
23 photovoltaic energy system such direct expenses incurred for

1 equipment, construction, and installation of the system, less all  
2 seller rebates and remunerations of any type resulting from the  
3 installation.

4 2. The following percentage of the qualified wind and/or  
5 photovoltaic energy system expenditures shall be allowed as a credit  
6 under the provisions of this subsection for the taxable year in  
7 which the cost is incurred:

8	Taxable Year	Percentage of Expenditure
9	a. 2007	40%
10	b. 2008	40%
11	c. 2009	40%
12	d. 2010	40%
13	e. 2011	40%

14 3. For the purposes of qualifying for the tax credit provided  
15 for in this subsection, more than fifty percent (50%) of the energy  
16 produced by the wind and/or photovoltaic energy system must be  
17 utilized on the premises of the installation and the wind turbines  
18 and solar arrays may not exceed one hundred kilowatt (100 kW) in  
19 nameplate power rating.

20 4. If the tax credit allowable to the taxpayer for the cost of  
21 a wind and/or photovoltaic energy system pursuant to this subsection  
22 exceeds the taxes due on the income of the taxpayer, the amount of  
23 the claim not used as an offset against the income taxes of a

1 taxable year may be carried forward as a credit against subsequent  
2 income tax liabilities for up to ten (10) years.

3 D. An itemized accounting of the cost and an affidavit  
4 attesting to the facts thereof shall be furnished to the taxpayer by  
5 the supplier of the wind and/or photovoltaic energy system. The  
6 itemized accounting shall include the amounts properly attributable  
7 to the cost of acquisition, construction, and installation of the  
8 wind and/or photovoltaic energy system. The taxpayer shall include  
9 a copy of said accounting when claiming either credit provided for  
10 in this section.

11 E. Wind turbines shall be rated in accordance with the latest  
12 performance rating standards published or endorsed by the American  
13 Wind Energy Association (AWEA) and the manufacturer must be a member  
14 in good standing of AWEA in order to qualify for the credits  
15 provided for in this section. Photovoltaic modules shall be rated  
16 in accordance with the latest United States Department of Energy  
17 (US-DOE) or Solar Energy Industries Association (SEIA) endorsed  
18 performance rating standard and the manufacturer must be a member in  
19 good standing of SEIA in order to qualify for the credits provided  
20 for in this section.

21 F. For wind and/or solar energy systems, product performance  
22 specifications conforming to AWEA or DOE/SEIA standards, as  
23 appropriate for renewable energy generating equipment, shall be

1 provided to potential purchasers prior to any qualifying purchase.  
2 Wind and/or solar energy resource information, as most recently  
3 published by the U.S. Department of Energy or the Oklahoma Wind  
4 Power Initiative (OWPI), for the state shall also be provided to  
5 potential purchasers prior to any qualifying purchase pursuant to  
6 the provisions of this section.

7 G. For the purpose of either credit provided for in this  
8 section, qualifying wind and/or photovoltaic energy systems shall  
9 carry, as a minimum, a five-year limited warranty covering defects  
10 in design and manufacture. For other than owner-installed systems,  
11 qualifying wind and/or photovoltaic energy systems shall also carry,  
12 as a minimum, a five-year limited warranty covering defects in  
13 installation.

14 SECTION 2. AMENDATORY 68 O.S. 2001, Section 1357, as  
15 last amended by Section 5, Chapter 44, 2nd Extraordinary Session,  
16 O.S.L. 2006 (68 O.S. Supp. 2006, Section 1357), is amended to read  
17 as follows:

18 Section 1357. Exemptions - General.

19 There are hereby specifically exempted from the tax levied by  
20 the Oklahoma Sales Tax Code:

21 1. Transportation of school pupils to and from elementary  
22 schools or high schools in motor or other vehicles;

1           2.   Transportation of persons where the fare of each person does  
2 not exceed One Dollar (\$1.00), or local transportation of persons  
3 within the corporate limits of a municipality except by taxicabs;

4           3.   Sales for resale to persons engaged in the business of  
5 reselling the articles purchased, whether within or without the  
6 state, provided that such sales to residents of this state are made  
7 to persons to whom sales tax permits have been issued as provided in  
8 the Oklahoma Sales Tax Code. This exemption shall not apply to the  
9 sales of articles made to persons holding permits when such persons  
10 purchase items for their use and which they are not regularly  
11 engaged in the business of reselling; neither shall this exemption  
12 apply to sales of tangible personal property to peddlers, solicitors  
13 and other salespersons who do not have an established place of  
14 business and a sales tax permit. The exemption provided by this  
15 paragraph shall apply to sales of motor fuel or diesel fuel to a  
16 Group Five vendor, but the use of such motor fuel or diesel fuel by  
17 the Group Five vendor shall not be exempt from the tax levied by the  
18 Oklahoma Sales Tax Code. The purchase of motor fuel or diesel fuel  
19 is exempt from sales tax when the motor fuel is for shipment outside  
20 this state and consumed by a common carrier by rail in the conduct  
21 of its business. The sales tax shall apply to the purchase of motor  
22 fuel or diesel fuel in Oklahoma by a common carrier by rail when

1 such motor fuel is purchased for fueling, within this state, of any  
2 locomotive or other motorized flanged wheel equipment;

3 4. Sales of advertising space in newspapers and periodicals;

4 5. Sales of programs relating to sporting and entertainment  
5 events, and sales of advertising on billboards (including signage,  
6 posters, panels, marquees, or on other similar surfaces, whether  
7 indoors or outdoors) or in programs relating to sporting and  
8 entertainment events, and sales of any advertising, to be displayed  
9 at or in connection with a sporting event, via the Internet,  
10 electronic display devices, or through public address or broadcast  
11 systems. The exemption authorized by this paragraph shall be  
12 effective for all sales made on or after January 1, 2001;

13 6. Sales of any advertising, other than the advertising  
14 described by paragraph 5 of this section, via the Internet,  
15 electronic display devices, or through the electronic media,  
16 including radio, public address or broadcast systems, television  
17 (whether through closed circuit broadcasting systems or otherwise),  
18 and cable and satellite television, and the servicing of any  
19 advertising devices;

20 7. Eggs, feed, supplies, machinery and equipment purchased by  
21 persons regularly engaged in the business of raising worms, fish,  
22 any insect or any other form of terrestrial or aquatic animal life  
23 and used for the purpose of raising same for marketing. This

1 exemption shall only be granted and extended to the purchaser when  
2 the items are to be used and in fact are used in the raising of  
3 animal life as set out above. Each purchaser shall certify, in  
4 writing, on the invoice or sales ticket retained by the vendor that  
5 the purchaser is regularly engaged in the business of raising such  
6 animal life and that the items purchased will be used only in such  
7 business. The vendor shall certify to the Oklahoma Tax Commission  
8 that the price of the items has been reduced to grant the full  
9 benefit of the exemption. Violation hereof by the purchaser or  
10 vendor shall be a misdemeanor;

11 8. Sale of natural or artificial gas and electricity, and  
12 associated delivery or transmission services, when sold exclusively  
13 for residential use. Provided, this exemption shall not apply to  
14 any sales tax levied by a city or town, or a county, or any other  
15 jurisdiction in this state;

16 9. In addition to the exemptions authorized by Section 1357.6  
17 of this title, sales of drugs sold pursuant to a prescription  
18 written for the treatment of human beings by a person licensed to  
19 prescribe the drugs, and sales of insulin and medical oxygen.  
20 Provided, this exemption shall not apply to over-the-counter drugs;

21 10. Transfers of title or possession of empty, partially  
22 filled, or filled returnable oil and chemical drums to any person  
23 who is not regularly engaged in the business of selling, reselling

1 or otherwise transferring empty, partially filled, or filled  
2 returnable oil drums;

3 11. Sales of one-way utensils, paper napkins, paper cups,  
4 disposable hot containers and other one-way carry out materials to a  
5 vendor of meals or beverages;

6 12. Sales of food or food products for home consumption which  
7 are purchased in whole or in part with coupons issued pursuant to  
8 the federal food stamp program as authorized by Sections 2011  
9 through 2029 of Title 7 of the United States Code, as to that  
10 portion purchased with such coupons. The exemption provided for  
11 such sales shall be inapplicable to such sales upon the effective  
12 date of any federal law that removes the requirement of the  
13 exemption as a condition for participation by the state in the  
14 federal food stamp program;

15 13. Sales of food or food products, or any equipment or  
16 supplies used in the preparation of the food or food products to or  
17 by an organization which:

18 a. is exempt from taxation pursuant to the provisions of  
19 Section 501(c)(3) of the Internal Revenue Code, 26  
20 U.S.C., Section 501(c)(3), and which provides and  
21 delivers prepared meals for home consumption to  
22 elderly or homebound persons as part of a program

1 commonly known as "Meals on Wheels" or "Mobile Meals",  
2 or  
3 b. is exempt from taxation pursuant to the provisions of  
4 Section 501(c)(3) of the Internal Revenue Code, 26  
5 U.S.C., Section 501(c)(3), and which receives federal  
6 funding pursuant to the Older Americans Act of 1965,  
7 as amended, for the purpose of providing nutrition  
8 programs for the care and benefit of elderly persons;  
9 14. a. Sales of tangible personal property or services to or  
10 by organizations which are exempt from taxation  
11 pursuant to the provisions of Section 501(c)(3) of the  
12 Internal Revenue Code, 26 U.S.C., Section 501(c)(3),  
13 and:  
14 (1) are primarily involved in the collection and  
15 distribution of food and other household products  
16 to other organizations that facilitate the  
17 distribution of such products to the needy and  
18 such distributee organizations are exempt from  
19 taxation pursuant to the provisions of Section  
20 501(c)(3) of the Internal Revenue Code, 26  
21 U.S.C., Section 501(c)(3), or  
22 (2) facilitate the distribution of such products to  
23 the needy.

1           b.    Sales made in the course of business for profit or  
2                    savings, competing with other persons engaged in the  
3                    same or similar business shall not be exempt under  
4                    this paragraph;

5           15.   Sales of tangible personal property or services to  
6 children's homes which are located on church-owned property and are  
7 operated by organizations exempt from taxation pursuant to the  
8 provisions of the Internal Revenue Code, 26 U.S.C., Section  
9 501(c)(3);

10          16.   Sales of computers, data processing equipment, related  
11 peripherals and telephone, telegraph or telecommunications service  
12 and equipment for use in a qualified aircraft maintenance or  
13 manufacturing facility. For purposes of this paragraph, "qualified  
14 aircraft maintenance or manufacturing facility" means a new or  
15 expanding facility primarily engaged in aircraft repair, building or  
16 rebuilding whether or not on a factory basis, whose total cost of  
17 construction exceeds the sum of Five Million Dollars (\$5,000,000.00)  
18 and which employs at least two hundred fifty (250) new full-time-  
19 equivalent employees, as certified by the Oklahoma Employment  
20 Security Commission, upon completion of the facility. In order to  
21 qualify for the exemption provided for by this paragraph, the cost  
22 of the items purchased by the qualified aircraft maintenance or

1 manufacturing facility shall equal or exceed the sum of Two Million  
2 Dollars (\$2,000,000.00);

3 17. Sales of tangible personal property consumed or  
4 incorporated in the construction or expansion of a qualified  
5 aircraft maintenance or manufacturing facility as defined in  
6 paragraph 16 of this section. For purposes of this paragraph, sales  
7 made to a contractor or subcontractor that has previously entered  
8 into a contractual relationship with a qualified aircraft  
9 maintenance or manufacturing facility for construction or expansion  
10 of such a facility shall be considered sales made to a qualified  
11 aircraft maintenance or manufacturing facility;

12 18. Sales of any interstate telecommunications services which:

13 a. entitle the subscriber to inward or outward calling  
14 respectively between a station associated with an  
15 access line in the local telephone system area or a  
16 station directly connected to any interexchange  
17 carrier's facilities and telephone or radiotelephone  
18 stations in diverse geographical locations specified  
19 by the subscriber, or

20 b. entitle the subscriber to private communications  
21 services which allow exclusive or priority use of a  
22 communications channel or group of channels between  
23 exchanges;

1        19. Sales of railroad track spikes manufactured and sold for  
2 use in this state in the construction or repair of railroad tracks,  
3 switches, sidings and turnouts;

4        20. Sales of aircraft and aircraft parts provided such sales  
5 occur at a qualified aircraft maintenance facility. As used in this  
6 paragraph, "qualified aircraft maintenance facility" means a  
7 facility operated by an air common carrier at which there were  
8 employed at least two thousand (2,000) full-time-equivalent  
9 employees in the preceding year as certified by the Oklahoma  
10 Employment Security Commission and which is primarily related to the  
11 fabrication, repair, alteration, modification, refurbishing,  
12 maintenance, building or rebuilding of commercial aircraft or  
13 aircraft parts used in air common carriage. For purposes of this  
14 paragraph, "air common carrier" shall also include members of an  
15 affiliated group as defined by Section 1504 of the Internal Revenue  
16 Code, 26 U.S.C., Section 1504;

17        21. Sales of machinery and equipment purchased and used by  
18 persons and establishments primarily engaged in computer services  
19 and data processing:

20            a. as defined under Industrial Group Numbers 7372 and  
21                    7373 of the Standard Industrial Classification (SIC)  
22                    Manual, latest version, which derive at least fifty  
23                    percent (50%) of their annual gross revenues from the

1 sale of a product or service to an out-of-state buyer  
2 or consumer, and

3 b. as defined under Industrial Group Number 7374 of the  
4 SIC Manual, latest version, which derive at least  
5 eighty percent (80%) of their annual gross revenues  
6 from the sale of a product or service to an out-of-  
7 state buyer or consumer.

8 Eligibility for the exemption set out in this paragraph shall be  
9 established, subject to review by the Tax Commission, by annually  
10 filing an affidavit with the Tax Commission stating that the  
11 facility so qualifies and such information as required by the Tax  
12 Commission. For purposes of determining whether annual gross  
13 revenues are derived from sales to out-of-state buyers or consumers,  
14 all sales to the federal government shall be considered to be to an  
15 out-of-state buyer or consumer;

16 22. Sales of prosthetic devices to an individual for use by  
17 such individual. For purposes of this paragraph, "prosthetic  
18 device" shall have the same meaning as provided in Section 1357.6 of  
19 this title, but shall not include corrective eye glasses, contact  
20 lenses or hearing aids;

21 23. Sales of tangible personal property or services to a motion  
22 picture or television production company to be used or consumed in  
23 connection with an eligible production. For purposes of this

1 paragraph, "eligible production" means a documentary, special, music  
2 video, or a television commercial or television program that will  
3 serve as a pilot for or be a segment of an ongoing dramatic or  
4 situation comedy series filmed or taped for network or national or  
5 regional syndication or a feature-length motion picture intended for  
6 theatrical release or for network or national or regional  
7 syndication or broadcast. The provisions of this paragraph shall  
8 apply to sales occurring on or after July 1, 1996. In order to  
9 qualify for the exemption, the motion picture or television  
10 production company shall file any documentation and information  
11 required to be submitted pursuant to rules promulgated by the Tax  
12 Commission;

13 24. Sales of diesel fuel sold for consumption by commercial  
14 vessels, barges and other commercial watercraft;

15 25. Sales of tangible personal property or services to tax-  
16 exempt independent nonprofit biomedical research foundations that  
17 provide educational programs for Oklahoma science students and  
18 teachers and to tax-exempt independent nonprofit community blood  
19 banks headquartered in this state;

20 26. Effective May 6, 1992, sales of wireless telecommunications  
21 equipment to a vendor who subsequently transfers the equipment at no  
22 charge or for a discounted charge to a consumer as part of a

1 promotional package or as an inducement to commence or continue a  
2 contract for wireless telecommunications services;

3 27. Effective January 1, 1991, leases of rail transportation  
4 cars to haul coal to coal-fired plants located in this state which  
5 generate electric power;

6 28. Beginning July 1, 2005, sales of aircraft engine repairs,  
7 modification, and replacement parts, sales of aircraft frame repairs  
8 and modification, aircraft interior modification, and paint, and  
9 sales of services employed in the repair, modification and  
10 replacement of parts of aircraft engines, aircraft frame and  
11 interior repair and modification, and paint;

12 29. Sales of materials and supplies to the owner or operator of  
13 a ship, motor vessel or barge that is used in interstate or  
14 international commerce if the materials and supplies:

15 a. are loaded on the ship, motor vessel or barge and used  
16 in the maintenance and operation of the ship, motor  
17 vessel or barge, or

18 b. enter into and become component parts of the ship,  
19 motor vessel or barge;

20 30. Sales of tangible personal property made at estate sales at  
21 which such property is offered for sale on the premises of the  
22 former residence of the decedent by a person who is not required to  
23 be licensed pursuant to the Transient Merchant Licensing Act, or who

1 is not otherwise required to obtain a sales tax permit for the sale  
2 of such property pursuant to the provisions of Section 1364 of this  
3 title; provided:

- 4 a. such sale or event may not be held for a period  
5 exceeding three (3) consecutive days,
- 6 b. the sale must be conducted within six (6) months of  
7 the date of death of the decedent, and
- 8 c. the exemption allowed by this paragraph shall not be  
9 allowed for property that was not part of the  
10 decedent's estate;

11 31. Beginning January 1, 2004, sales of electricity and  
12 associated delivery and transmission services, when sold exclusively  
13 for use by an oil and gas operator for reservoir dewatering projects  
14 and associated operations commencing on or after July 1, 2003, in  
15 which the initial water-to-oil ratio is greater than or equal to  
16 five-to-one water-to-oil, and such oil and gas development projects  
17 have been classified by the Corporation Commission as a reservoir  
18 dewatering unit;

19 32. Sales of prewritten computer software that is delivered  
20 electronically. For purposes of this paragraph, "delivered  
21 electronically" means delivered to the purchaser by means other than  
22 tangible storage media;

1        33. Sales of modular dwelling units when built at a production  
2 facility and moved in whole or in parts, to be assembled on-site,  
3 and permanently affixed to the real property and used for  
4 residential or commercial purposes. The exemption provided by this  
5 paragraph shall equal forty-five percent (45%) of the total sales  
6 price of the modular dwelling unit. For purposes of this paragraph,  
7 "modular dwelling unit" means a structure that is not subject to the  
8 motor vehicle excise tax imposed pursuant to Section 2103 of this  
9 title;

10       34. Sales of tangible personal property or services to persons  
11 who are residents of Oklahoma and have been honorably discharged  
12 from active service in any branch of the Armed Forces of the United  
13 States or Oklahoma National Guard and who have been certified by the  
14 United States Department of Veterans Affairs or its successor to be  
15 in receipt of disability compensation at the one-hundred-percent  
16 rate and the disability shall be permanent and have been sustained  
17 through military action or accident or resulting from disease  
18 contracted while in such active service; provided, sales for the  
19 benefit of the person to a spouse of the eligible person or to a  
20 member of the household in which the eligible person resides and who  
21 is authorized to make purchases on the person's behalf, when such  
22 eligible person is not present at the sale, shall also be exempt for  
23 purposes of this paragraph. Sales qualifying for the exemption

1 authorized by this paragraph shall not exceed Twenty-five Thousand  
2 Dollars (\$25,000.00) per year per individual. Upon request of the  
3 Tax Commission, a person asserting or claiming the exemption  
4 authorized by this paragraph shall provide a statement, executed  
5 under oath, that the total sales amounts for which the exemption is  
6 applicable have not exceeded Twenty-five Thousand Dollars  
7 (\$25,000.00) per year. If the amount of such exempt sales exceeds  
8 such amount, the sales tax in excess of the authorized amount shall  
9 be treated as a direct sales tax liability and may be recovered by  
10 the Tax Commission in the same manner provided by law for other  
11 taxes, including penalty and interest;

12 35. Sales of electricity to the operator, specifically  
13 designated by the Oklahoma Corporation Commission, of a spacing unit  
14 or lease from which oil is produced or attempted to be produced  
15 using enhanced recovery methods, including, but not limited to,  
16 increased pressure in a producing formation through the use of water  
17 or saltwater if the electrical usage is associated with and  
18 necessary for the operation of equipment required to inject or  
19 circulate fluids in a producing formation for the purpose of forcing  
20 oil or petroleum into a wellbore for eventual recovery and  
21 production from the wellhead. In order to be eligible for the sales  
22 tax exemption authorized by this paragraph, the oil well production  
23 shall not exceed ten (10) barrels per day prior to the use of

1 enhanced recovery methods and the total content of oil recovered  
2 prior to the use of enhanced recovery methods shall not exceed one  
3 percent (1%) by volume. The exemption authorized by this paragraph  
4 shall be applicable only to the state sales tax rate and shall not  
5 be applicable to any county or municipal sales tax rate;

6 36. Sales of intrastate charter and tour bus transportation.  
7 As used in this paragraph, "intrastate charter and tour bus  
8 transportation" means the transportation of persons from one  
9 location in this state to another location in this state in a motor  
10 vehicle which has been constructed in such a manner that it may  
11 lawfully carry more than eighteen persons, and which is ordinarily  
12 used or rented to carry persons for compensation. Provided, this  
13 exemption shall not apply to regularly scheduled bus transportation  
14 for the general public;

15 37. Sales of vitamins, minerals and dietary supplements by a  
16 licensed chiropractor to a person who is the patient of such  
17 chiropractor at the physical location where the chiropractor  
18 provides chiropractic care or services to such patient. The  
19 provisions of this paragraph shall not be applicable to any drug,  
20 medicine or substance for which a prescription by a licensed  
21 physician is required;

22 38. Sales of goods, wares, merchandise, tangible personal  
23 property, machinery and equipment to a web search portal located in

1 this state which derives at least eighty percent (80%) of its annual  
2 gross revenue from the sale of a product or service to an out-of-  
3 state buyer or consumer. For purposes of this paragraph, "web  
4 search portal" means an establishment classified under NAICS code  
5 518112 which operates web sites that use a search engine to generate  
6 and maintain extensive databases of Internet addresses and content  
7 in an easily searchable format; ~~and~~

8 39. Sales of tangible personal property consumed or  
9 incorporated in the construction or expansion of a facility for a  
10 corporation organized under Section 437 et seq. of Title 18 of the  
11 Oklahoma Statutes as a rural electric cooperative. For purposes of  
12 this paragraph, sales made to a contractor or subcontractor that has  
13 previously entered into a contractual relationship with a rural  
14 electric cooperative for construction or expansion of a facility  
15 shall be considered sales made to a rural electric cooperative; and

16 40. Sales of tangible personal property that consists of  
17 qualified wind and/or photovoltaic energy equipment for which the  
18 income tax credit authorized by Section 1 of this act may be  
19 claimed.

20 SECTION 3. Section 1 of this act shall become effective January  
21 1, 2007.

22 SECTION 4. Section 2 of this act shall become effective July 1,  
23 2007.

1       SECTION 5. It being immediately necessary for the preservation  
2 of the public peace, health and safety, an emergency is hereby  
3       declared to exist, by reason whereof this act shall take effect  
4 and be in full force from and after its passage and approval.  
5 COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 4-3-07 - DO PASS,  
6 As Amended and Coauthored.