

1 ENGROSSED HOUSE
2 BILL NO. 1948

By: Bengé, Dorman, Inman,
Walker, Tibbs and Shumate
of the House

3
4 and

Bingman of the Senate

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8 (revenue and taxation - tax credits - codification -
9 effective date)

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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 2357.206 of Title 68, unless
there is created a duplication in numbering, reads as follows:

A. 1. For the taxable years beginning after December 31, 2009,
and ending December 31, 2014, any taxpayer having a geothermal
heating and cooling system installed on residential property in this
state may claim a credit against the tax imposed by Section 2355 of
Title 68 of the Oklahoma Statutes. In determining the amount of
credit allowed, the taxpayer may include in the total costs of the
geothermal heat and air system such direct expenses incurred for
equipment, construction, and installation of the system, less all

1 seller rebates and remunerations of any type resulting from the
2 installation.

3 2. Five percent (5%) of the qualified geothermal heating and
4 cooling system expenditures shall be allowed as a credit under the
5 provisions of this subsection for the taxable year in which the cost
6 is incurred.

7 B. If the tax credit allowable to the taxpayer for the cost of
8 a geothermal heating and cooling system pursuant to subsection A of
9 this section exceeds the taxes due on the income of the taxpayer,
10 the amount of the claim not used as an offset against the income
11 taxes of a taxable year may be carried forward as a credit against
12 subsequent income tax liabilities for up to ten (10) years.

13 C. 1. For the taxable years beginning after December 31, 2009,
14 and ending December 31, 2014, any taxpayer having a geothermal
15 heating and cooling system installed on nonresidential property in
16 this state may claim a credit against the tax imposed by Section
17 2355 of Title 68 of the Oklahoma Statutes. In determining the
18 amount of credit allowed, the taxpayer may include in the total
19 costs of the geothermal heat and air system such direct expenses
20 incurred for equipment, construction, and installation of the
21 system, less all seller rebates and remunerations of any type
22 resulting from the installation.

23 2. Five percent (5%) of the qualified geothermal heating and
24 cooling system expenditures shall be allowed as a credit under the

1 provisions of this subsection for the taxable year in which the cost
2 is incurred.

3 D. If the tax credit allowable to the taxpayer for the cost of
4 a geothermal heating and cooling system pursuant to subsection C of
5 this section exceeds the taxes due on the income of the taxpayer,
6 the amount of the claim not used as an offset against the income
7 taxes of a taxable year may be carried forward as a credit against
8 subsequent income tax liabilities for up to ten (10) years.

9 E. An itemized accounting of the cost and an affidavit
10 attesting to the facts thereof shall be furnished to the taxpayer by
11 the supplier of the geothermal heating and cooling system. The
12 itemized accounting shall include the amounts properly attributable
13 to the cost of acquisition, construction, and installation of the
14 renewable energy system. The taxpayer shall include a copy of said
15 accounting when claiming either credit provided for in this section.

16 F. Geothermal heating and cooling systems shall be rated in
17 accordance with the latest performance rating standards published or
18 endorsed by the American Refrigeration Institute (ARI) and the
19 manufacturer and installing contractor must be a member in good
20 standing of the International Ground Source Heat Pump Association
21 (IGSHPA) in order to qualify for the credits provided for in this
22 section.

23 G. For the purpose of either credit provided for in this
24 section, qualifying geothermal heat and air systems shall carry, as

1 a minimum, a five-year limited warranty covering defects in design
2 and manufacture. For other than owner-installed systems, qualifying
3 renewable energy systems shall also carry, as a minimum, a five-year
4 limited warranty covering defects in installation.

5 SECTION 2. This act shall become effective January 1, 2010.

6 Passed the House of Representatives the 2nd day of March, 2009.

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Presiding Officer of the House of
10 Representatives

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11 Passed the Senate the ____ day of _____, 2009.

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Presiding Officer of the Senate

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