

**EHB 1948**

**THE STATE SENATE**  
**Thursday, March 19, 2009**

**ENGROSSED**

**House Bill No. 1948**

**As Amended**

ENGROSSED HOUSE BILL NO. 1948 - By: Benge, Dorman, Inman, Walker,  
Tibbs and Shumate of the House and Bingman of the Senate.

[ revenue and taxation - tax credits - codification -  
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 2357.206 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  
seller rebates and remunerations of any type resulting from the  
installation.

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

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

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

21           2. Five percent (5%) of the qualified geothermal heating and  
22 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.

1 G. For the purpose of either credit provided for in this  
2 section, qualifying geothermal heat and air systems shall carry, as  
3 a minimum, a five-year limited warranty covering defects in design  
4 and manufacture. For other than owner-installed systems, qualifying  
5 renewable energy systems shall also carry, as a minimum, a five-year  
6 limited warranty covering defects in installation.

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

8 COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 3-17-09 - DO PASS,  
9 As Amended.