

SB 481

THE STATE SENATE
Monday, February 23, 2009

Senate Bill No. 481
As Amended

SENATE BILL NO. 481 - By: Lamb and Rice of the Senate and Nelson and Sullivan of the House.

[revenue and taxation - modifying tax credit - effective date]

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

SECTION 1. AMENDATORY Section 1, Chapter 439, O.S.L. 2005, as amended by Section 16, Chapter 272, O.S.L. 2006 (68 O.S. Supp. 2008, Section 2357.46), is amended to read as follows:

Section 2357.46 A. For tax years beginning after December 31, 2005, and ending before January 1, 2010, there shall be allowed a credit against the tax imposed by Section 2355 of ~~Title 68 of Oklahoma Statutes~~ this title for eligible expenditures incurred by a contractor in the construction of energy efficient residential property of two thousand (2,000) square feet or less. For tax years beginning on or after January 1, 2010, there shall be allowed a credit against the tax imposed by Section 2355 of this title for eligible expenditures incurred by a contractor in the construction of energy efficient residential property which is of any size. The amount of the credit shall be based upon the following:

1 1. For any eligible energy efficient residential property
2 constructed and certified as forty percent (40%) or more above the
3 International Energy Conservation Code 2003 and any supplement in
4 effect at the time of completion, the amount of the credit shall be
5 equal to the eligible expenses, not to exceed Four Thousand Dollars
6 (\$4,000.00) for the taxpayer who is the contractor; and

7 2. For any eligible energy efficient residential property
8 constructed and certified as between twenty percent (20%) and
9 thirty-nine percent (39%) above the International Energy
10 Conservation Code 2003 and any supplement in effect at the time of
11 completion, the credit shall be equal to the eligible expenditures,
12 not to exceed Two Thousand Dollars (\$2,000.00) for the taxpayer who
13 is the contractor.

14 B. As used in this section:

- 15 1. "Eligible expenditure" means any:
- 16 a. energy efficient heating or cooling system,
 - 17 b. insulation material or system which is specifically
18 and primarily designed to reduce the heat gain or loss
19 of a residential property when installed in or on such
20 property,
 - 21 c. exterior windows, including skylights,
 - 22 d. exterior doors, and

1 e. any metal roof installed on a residential property,
2 but only if such roof has appropriate pigmented
3 coatings which are specifically and primarily designed
4 to reduce the heat gain of such dwelling unit and
5 which meet Energy Star program requirements;

6 2. "Contractor" means the taxpayer who constructed the
7 residential property or manufactured home, or if more than one
8 taxpayer qualifies as the contractor, the primary contractor; and

9 3. "Eligible energy efficient residential property" means a
10 newly constructed residential property or manufactured home property
11 which is located in the State of Oklahoma and substantially complete
12 after December 31, 2005, and which is two thousand (2,000) square
13 feet or less for credits claimed for tax years ending before January
14 1, 2010, and which is of any size for credits claimed for tax years
15 beginning on and after January 1, 2010:

16 a. for the credit provided pursuant to paragraph 1 of
17 subsection A of this section, which is certified by an
18 accredited Residential Energy Services Network
19 Provider using the Home Energy Rating System to have:
20 (1) a level of annual heating and cooling energy
21 consumption which is at least forty percent (40%)
22 below the annual level of heating and cooling
23 energy consumption of a comparable residential

1 property constructed in accordance with the
2 standards of Chapter 4 of the 2003 International
3 Energy Conservation Code, as such code is in
4 effect on the effective date of this act,

5 (2) heating and cooling equipment efficiencies which
6 correspond to the minimum allowed under the
7 regulations established by the Department of
8 Energy pursuant to the National Appliance Energy
9 Conservation Act of 1987 and in effect at the
10 time of construction of the property, and

11 (3) building envelope component improvements which
12 account for at least one-fifth of the reduced
13 annual heating and cooling energy consumption
14 levels,

15 b. for the credit provided pursuant to paragraph 2 of
16 subsection A of this section, which is certified by an
17 accredited Residential Energy Services Network
18 Provider using the Home Energy Rating System to have:

19 (1) a level of annual heating and cooling energy
20 consumption which is between twenty percent (20%)
21 and thirty-nine percent (39%) below the annual
22 level of heating and cooling energy consumption
23 of a comparable residential property constructed

1 in accordance with the standards of Chapter 4 of
2 the 2003 International Energy Conservation Code,
3 as such code is in effect on the effective date
4 of this act,

5 (2) heating and cooling equipment efficiencies which
6 correspond to the minimum allowed under the
7 regulations established by the Department of
8 Energy pursuant to the National Appliance Energy
9 Conservation Act of 1987 and in effect at the
10 time of construction of the property, and

11 (3) building envelope component improvements which
12 account for at least one-third of the reduced
13 annual heating and cooling energy consumption
14 levels.

15 C. The credit provided for in subsection A of this section may
16 only be claimed once for the contractor of any eligible residential
17 energy efficient property during the taxable year when the property
18 is substantially complete.

19 D. If the credit allowed pursuant to this section exceeds the
20 amount of income taxes due or if there are no state income taxes due
21 on the income of the taxpayer, the amount of credit allowed but not
22 used in any taxable year may be carried forward as a credit against

1 subsequent income tax liability for a period not exceeding four (4)
2 years following the qualified expenditures.

3 E. For credits earned on or after the effective date of this
4 act, the credits authorized by this section shall be freely
5 transferable to subsequent transferees.

6 F. The Oklahoma Tax Commission shall promulgate rules necessary
7 to implement this act.

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

9 COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 2-17-09 - DO PASS,
10 As Amended and Coauthored.