

1 STATE OF OKLAHOMA

2 1st Session of the 52nd Legislature (2009)

3 HOUSE BILL 1948

By: Bengé

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6 AS INTRODUCED

7 An Act relating to revenue and taxation; authorizing
8 income tax credits for installation of geothermal
9 heating and cooling systems on residential or
10 nonresidential property; specifying percentage of
11 credit based upon taxable year in which costs for
12 equipment incurred; authorizing carryover of credits;
13 requiring itemized accounting of costs; prescribing
14 procedures for use of cost information; requiring
15 ratings for geothermal and cooling system equipment;
16 requiring minimum limited warranty period; providing
17 for codification; and providing effective date.

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

19 SECTION 1. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 2357.206 of Title 68, unless
21 there is created a duplication in numbering, reads as follows:

22 A. 1. For the taxable years beginning after December 31, 2009,
23 and ending December 31, 2014, any taxpayer having a geothermal
24 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

1 credit allowed, the taxpayer may include in the total costs of the
2 geothermal heat and air system such direct expenses incurred for
3 equipment, construction, and installation of the system, less all
4 seller rebates and remunerations of any type resulting from the
5 installation.

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

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

16 C. 1. For the taxable years beginning after December 31, 2009,
17 and ending December 31, 2014, any taxpayer having a geothermal
18 heating and cooling system installed on nonresidential property in
19 this state may claim a credit against the tax imposed by Section
20 2355 of Title 68 of the Oklahoma Statutes. In determining the
21 amount of credit allowed, the taxpayer may include in the total
22 costs of the geothermal heat and air system such direct expenses
23 incurred for equipment, construction, and installation of the
24

1 system, less all seller rebates and remunerations of any type
2 resulting from the 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 D. If the tax credit allowable to the taxpayer for the cost of
8 a geothermal heating and cooling system pursuant to subsection C 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 E. An itemized accounting of the cost and an affidavit
14 attesting to the facts thereof shall be furnished to the taxpayer by
15 the supplier of the geothermal heating and cooling system. The
16 itemized accounting shall include the amounts properly attributable
17 to the cost of acquisition, construction, and installation of the
18 renewable energy system. The taxpayer shall include a copy of said
19 accounting when claiming either credit provided for in this section.

20 F. Geothermal heating and cooling systems shall be rated in
21 accordance with the latest performance rating standards published or
22 endorsed by the American Refrigeration Institute (ARI) and the
23 manufacturer and installing contractor must be a member in good
24 standing of the International Ground Source Heat Pump Association

1 (IGSHPA) in order to qualify for the credits provided for in this
2 section.

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

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

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