

BILL SUMMARY
1st Session of the 52nd Legislature

Bill No.:	HB 1948
Version:	Introduced
Author:	Speaker Bengé
Date:	February 13, 2009
Impact:	Income Tax Revenue Decrease
	FY10: No Fiscal Impact
	FY11: \$809,634 Decrease

Bill Summary

Research Analyst: Dusty Darr

This measure provides that residential and nonresidential taxpayers may claim a 5% tax credit against the income tax for expenses incurred for the equipment, construction, and installation of geothermal heating and cooling systems. The credit, which is effective for taxable years beginning after December 31, 2009, and ending after December 31, 2014, may be carried forward against subsequent tax liabilities for up to 10 years.

Fiscal Summary

Fiscal Analyst: Diane Thomas

HB 1948 creates an income tax credit for both residential and commercial installation of qualified geothermal energy systems. Beginning with tax year 2010, the credit is 5% of the total cost of the geothermal energy equipment, including construction and installation, less rebates or remunerations.

Fiscal Analysis

The Tax Commission anticipates a cost of \$809,634 in FY11. There is no expected change in withholding or estimated tax and therefore, no anticipated fiscal impact in FY10. The decrease is estimated as follows:

	Residential	Commercial/ Industrial	Total
2010 Expenditures	\$8,582,117	\$7,610,557	\$16,192,674
Income Tax Credit Percentage	5%	5%	5%
Income Tax Credit	\$429,106	\$380,528	\$809,634

Long Term Fiscal Considerations

None

Fiscal Analysis Reviewed By:

Janice Buchanan

House Fiscal Director

