

By Ms. Pollard, a petition (accompanied by bill, Senate, No. 1699) of Sharon M. Pollard, Robert A. Hall, John W. Olver and members of the House of Representatives for legislation to extend tax credits for expenditures for renewable energy sources to small business. Taxation.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Eighty.

AN ACT TO EXTEND TAX CREDITS FOR EXPENDITURES FOR RENEWABLE ENERGY SOURCES TO SMALL BUSINESS.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Chapter 796 of the Acts and Resolves of 1979, Chapter 25A,
2 Section 9 is hereby amended by substituting the following for
3 subsection (d): —

4 (d) any owner of residential property located in the com-
5 monwealth who is not a dependent of another taxpayer and
6 who occupies said property as his principal residence or any
7 owner of a business property located in the commonwealth
8 that employs one hundred or less employees shall be allowed
9 a credit equal to thirty-five percent of the net expenditure for
10 a renewable energy source property or one thousand dollars,
11 whichever is less, provided that in the case of a newly con-
12 structed residence or business property the credit shall be
13 available to the original owner/occupant. Any taxpayer en-
14 titled to this credit for any taxable credit, the amount of
15 which exceeds his total tax due or the then current taxable
16 year, may carry over the excess amount, as reduced from
17 year to year, and apply it to his tax liability for any one or
18 more of the next succeeding three taxable years; provided,
19 however that in no taxable year may the amount of credit
20 allowed exceed the total tax due of the taxpayer for the rele-
21 vant taxable year. Joint owners of a residential property or
22 business property shall share any credit available to the prop-
23 erty under this subsection in the same proportion as their
24 ownership interest.

25 As used in this section the following words shall have the
26 following meanings: —

27 (I) “renewable energy source property” means property

28 (A) which, when installed in connection with a dwelling,
29 transmits or uses: —

30 (1) solar energy or any other form of renewable energy
31 which the commissioner specified by regulations, for the pur-
32 pose of heating or cooling such dwelling or providing hot
33 water for use within such dwelling, or produces electricity for
34 such purposes, or

35 (2) wind energy for businesses employing one hundred or
36 less employees and residential purposes

37 (B) the original use of which begins with the taxpayer;

38 (C) which can reasonably be expected to remain in opera-
39 tion for at least five years, and

40 (D) which meets the performance and quality standards (if
41 any) which: —

42 (i) have been prescribed by the commissioner by regula-
43 tions, and

44 (ii) are in effect at the time of the acquisition of the prop-
45 erty;

46 (II) “net expenditure” shall mean the total of the purchase
47 price for any renewable energy source property, plus installa-
48 tion cost less any credits received pursuant to the Internal
49 Revenue Code and less grants or rebates received from the
50 United States Department of Housing and Urban Develop-
51 ment.