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H.425

Introduced by Representatives McFaun of Barre Town and Copeland-Hanzas
of Bradford

Referred to Committee on

Date:

Subject: Taxation; personal income tax; tax credit for alternative energy
residential heating and cooling

Purpose: This bill proposes to provide an income tax credit for energy
efficiency or renewable energy improvements to real property.

An act relating to income tax credits for energy efficiency or renewable
energy improvements to real property

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 32 V.S.A. chapter 151, subchapter 11K is added to read:

Subchapter 11K. Other Tax Credits

§ 5930gg. ENERGY EFFICIENCY AND RENEWABLE ENERGY

IMPROVEMENTS TO REAL PROPERTY INCOME TAX

CREDIT

(a) A taxpayer of this state shall be eligible for a nonrefundable credit
against the tax imposed under section 5822 of this title of the greater of ten
percent of the cost of qualified energy efficiency improvements or \$3,000.00

1 paid by the taxpayer during the taxable year for a qualified energy efficiency
2 improvement or a qualified renewable energy improvement reduced for any
3 nonresident taxpayer by a percentage equal to the percentage of the taxpayer's
4 adjusted gross income for the taxable year which is not Vermont income.

5 (b) For purposes of this section, a "qualified energy efficiency
6 improvement" shall have the meaning set forth in Section 25C of the Internal
7 Revenue Code of 1986, as amended, and a "qualified renewable energy
8 improvement" shall mean:

9 (1) an improvement to heat water for use in a dwelling unit that is used
10 as a residence by the taxpayer if at least one-half of the energy used by such
11 property for such purpose is derived from the sun; or

12 (2) an improvement to allow the use of solar energy to generate
13 electricity for use in a dwelling unit that is used as a residence by the taxpayer;
14 or

15 (3) an improvement using a qualified fuel cell power plant, as defined in
16 Section 48(c)(1) of the Internal Revenue Code of 1986, as amended, to provide
17 electricity to a dwelling unit that is used as a principal residence by the
18 taxpayer.

19 Sec. 2. EFFECTIVE DATE

20 This act shall apply to tax years beginning on or after January 1, 2009.