

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

INTERIM STUDY PROPOSAL 2009-034

State of Arkansas
87th General Assembly
Regular Session, 2009

A Bill

HOUSE BILL 2077

By: Representative Webb

Filed with: House Interim Committee on Revenue and Taxation
pursuant to A.C.A. §10-3-217.

For An Act To Be Entitled

AN ACT TO ALLOW AN INCOME TAX CREDIT FOR
EXPENDITURES BY A CONTRACTOR THAT INCREASES THE
ENERGY EFFICIENCY OF AN ELIGIBLE RESIDENTIAL
PROPERTY; AND FOR OTHER PURPOSES.

Subtitle

TO ALLOW AN INCOME TAX CREDIT FOR
EXPENDITURES BY A CONTRACTOR THAT
INCREASES THE ENERGY EFFICIENCY OF AN
ELIGIBLE RESIDENTIAL PROPERTY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code Title 26, Chapter 51, Subchapter 5 is amended
to add an additional section to read as follows:

26-51-513. Energy efficiency expenditures on eligible residential
property.

(a) As used in this section:

(1) "Contractor" means a taxpayer who is the primary
contractor that constructed an eligible residential property;

(2) "Eligible residential property" means a newly constructed
residential dwelling or manufactured home that is:

(A) Located in the state;

(B) Substantially completed after January 1, 2009;



1 and

2 (C) Two thousand square feet (2000 sq.ft.) or less in
3 size; and

4 (3) "Eligible energy efficient expenditure" means an energy-
5 efficient heating or cooling system, insulation material, or system that is
6 specifically and primarily designed to reduce the heat gain or loss of an
7 eligible residential property when installed in or on the eligible
8 residential property including without limitation:

9 (A) Exterior windows, including skylights;

10 (B) Exterior doors; and

11 (C) A metal roof installed on an eligible residential
12 property, but only if the roof has appropriate pigmented coatings that are
13 specifically and primarily designed to reduce the heat gain of the
14 residential property and that meet Energy Star program requirements.

15 (b)(1) There is allowed a tax credit against the income tax imposed
16 by the Income Tax Act of 1929, § 26-51-101 et seq., for eligible expenditures
17 incurred by a contractor in the construction of an eligible residential
18 property.

19 (2) The amount of the tax credit shall be based upon the
20 following criteria:

21 (A) For an eligible residential property constructed
22 and certified as forty percent (40%) or more above the specifications of the
23 International Energy Conservation Code 2003, as it existed on January 1,
24 2009, the amount of the tax credit is equal to the eligible expenditures, not
25 to exceed four thousand dollars (\$4,000.00) for the taxpayer who is the
26 contractor; and

27 (B) For any eligible residential property constructed
28 and certified between twenty percent (20%) and thirty-nine percent (39%)
29 above the specifications of the International Energy Conservation Code 2003
30 as it existed on January 1, 2009, the tax credit shall be equal to the
31 eligible expenditures not to exceed two thousand dollars (\$2,000) for the
32 taxpayer who is the contractor.

33 (c) To receive a tax credit under this section, the eligible
34 expenditure shall be certified by an accredited Residential Energy Services
35 Network Provider using the Home Energy Rating System.

36 (d) A taxpayer may only claim the tax credit under subsection (b) of

1 this section one (1) time for each eligible residential property and only for
2 the taxable year when the eligible residential property is substantially
3 completed.

4 (e) If the tax credit under this section exceeds the amount of income
5 taxes due or if there are no state income taxes due on the income of the
6 taxpayer, the amount of tax credit allowed but not used in any taxable year
7 may be carried forward by the taxpayer as a tax credit against future income
8 tax liability for a period not exceeding four (4) years following the tax
9 year that the tax credit was initially allowed.

10 (f) The Department of Finance and Administration shall promulgate
11 rules necessary to implement this section.

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13 SECTION 2. This act is effective for tax years beginning on or after
14 January 1, 2009.

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