

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.

1 State of Arkansas
2 87th General Assembly
3 Regular Session, 2009

A Bill

SENATE BILL 946

4
5 By: Senator J. Key
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For An Act To Be Entitled

9 AN ACT TO ENCOURAGE ENERGY EFFICIENCY BY ALLOWING
10 AN INCOME TAX CREDIT FOR THE PURCHASE AND
11 INSTALLATION OF ENERGY EFFICIENCY IMPROVEMENTS TO
12 RESIDENCES; AND FOR OTHER PURPOSES.
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Subtitle

14 THE CONSUMER ENERGY EFFICIENCY INCOME
15 TAX CREDIT ACT OF 2009.
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
20

SECTION 1. Energy Tax Credit.

(a) As used in this section:

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23 (1) "Advance main air circulating fan" means an advance main air
24 circulating fan with a tax credit specification of no more than two percent
25 (2%) of furnace total energy use that meets the standards prescribed in 26
26 U.S.C. § 25C as it existed on January 1, 2009;

27 (2) "Air source heat pump" means an air source heat pump with a
28 tax credit specification of Heating Season Performance Factor Ratio 9, Energy
29 Efficiency Ratio 13, and Seasonal Energy Efficiency Ratio 15 that meets the
30 standards as prescribed in 26 U.S.C. § 25C as it existed on January 1, 2009;

31 (3) "Electric heat pump water heater" means an electric heat
32 pump water heater with a tax credit specification of Energy Factor 2.0 that
33 meets the standards prescribed in 26 U.S.C. § 25C as it existed on January 1,
34 2009;

35 (4) "ENERGY STAR" means the voluntary labeling program of the
36 United States Environmental Protection Agency and the United States



1 Department of Energy that identifies energy efficient products that exceed
2 minimum federal standards for energy consumption, or where no federal
3 standards exist, have certain energy saving features accepted by the United
4 States Environmental Protection Agency and the United States Department of
5 Energy under the voluntary labeling program as it existed on January 1, 2009;

6 (5) "Exterior door" means an exterior door with a tax credit
7 specification that meets the 2003 International Energy Conservation Code
8 standard as it existed on January 1, 2009;

9 (6) "Exterior windows and skylights" means exterior windows and
10 skylights with a tax credit specification that includes all ENERGY STAR
11 labeled exterior windows and skylights or that meet the 2003 International
12 Energy Conservation Code standard as it existed on January 1, 2009;

13 (7) "Gas, oil, or propane furnace or hot water boiler" means a
14 gas, oil, or propane furnace or hot water boiler with a tax credit
15 specification of Annual Fuel Utilization Efficiency 95 for both furnaces and
16 boilers that meet the standards prescribed in 26 U.S.C. § 25C as it existed
17 on January 1, 2009;

18 (8) "Gas, oil, or propane water heater" means a gas, oil, or
19 propane water heater with a tax credit specification of Energy Factor 0.80
20 that meets the standards prescribed in 26 U.S.C. § 25C as it existed on
21 January 1, 2009;

22 (9) "Geo-thermal heat pump" means a geo-thermal heat pump with a
23 tax credit specification of ENERGY STAR, Energy Efficiency Ratio 14.1 COP 3.3
24 Closed Loop, Energy Efficiency Ratio 16.2 COP 3.6 Open Loop, or Energy
25 Efficiency Ratio 15 COP 3.5 Direct Expansion that meets the standards
26 prescribed in 26 U.S.C. § 25C as it existed on January 1, 2009;

27 (10) "Manufacturer's certification statement" means a statement
28 provided to a purchaser of a qualified energy efficiency improvement that
29 includes:

30 (A) The name and address of the manufacturer;

31 (B) The class of the qualified energy efficiency
32 improvement product as listed in 26 U.S.C. § 25C as it existed on January 1,
33 2009, for products placed in service after December 31, 2005; and

34 (C) The make, model number, and any other appropriate
35 identifiers of the product;

36 (11) "Qualified energy efficiency improvement" means the

1 purchase and installation of any energy efficient component listed in this
2 section that meets the prescriptive criteria for the energy efficient
3 component established by the 2003 International Energy Conservation Code as
4 it existed on January 1, 2009;

5 (12) "Storm door" means a storm door with a tax credit
6 specification of a storm door in combination with a wood door assigned a
7 default U-factor by the 2003 International Energy Conservation Code standards
8 as it existed on January 1, 2009 and that does not exceed the default U-
9 factor requirement assigned to the combination by the International Energy
10 Conservation Code that meets the standards prescribed in 26 U.S.C. § 25C as
11 it existed on January 1, 2009; and

12 (13) "Storm window" means a storm window with a tax credit
13 specification that the storm window, in combination with the exterior window
14 over which it is installed, meets 2003 International Energy Conservation Code
15 standards as it existed on January 1, 2009 for the applicable climate zone
16 and that meets the standards prescribed in 26 U.S.C. § 25C as it existed on
17 January 1, 2009.

18 (b) There is allowed an income tax credit against the tax imposed by
19 the Income Tax Act of 1929, § 26-51-101 et seq., for the amount paid or
20 incurred by the taxpayer for a qualified energy efficiency improvement to the
21 taxpayer's residential property.

22 (c) The maximum amount of income tax credit for the aggregate purchase
23 of qualified energy efficient improvements shall not exceed five hundred
24 dollars (\$500) per taxpayer for the taxable year and shall be credited as
25 follows:

26 (1) Exterior windows and skylights, ten percent (10%) of cost,
27 up to two hundred dollars (\$200);

28 (2) Storm window, ten percent (10%) of cost, up to two hundred
29 dollars (\$200);

30 (3) Exterior door, ten percent (10%) of cost, up to five hundred
31 dollars (\$500);

32 (4) Storm door, ten percent (10%) of cost, up to five hundred
33 dollars (\$500);

34 (5) Air source heat pump, three hundred dollars (\$300);

35 (6) Geo-thermal heat pump, three hundred dollars (\$300);

36 (7) Gas, oil, or propane furnace or hot water boiler, one

1 hundred fifty dollars (\$150);

2 (8) Advance main air circulating fan, fifty dollars (\$50.00);

3 (9) Gas, oil, or propane water heater, three hundred dollars
4 (\$300); and

5 (10) Electric heat pump water heater, three hundred dollars
6 (\$300).

7 (d) To claim an income tax credit under this section, a taxpayer
8 shall:

9 (1) Certify to the Director of the Department of Finance and
10 Administration that:

11 (A) The taxpayer has paid or incurred an expense for the
12 purchase of a qualified energy efficiency improvement;

13 (B) The expense occurred during tax years beginning
14 January 1, 2009 through December 31, 2011;

15 (C) Not later than December 31, 2012, the qualified energy
16 efficiency improvement is affixed to the residence as the design of the
17 qualified energy efficient improvement is intended for use by the
18 manufacturer; and

19 (D) The cost of service contracts, sales tax, maintenance,
20 and repairs is not included in determining the amount of the income tax
21 credit; and

22 (2) Provide the receipt from the purchase and the ENERGY STAR
23 label or Manufacturer's certification statement, whichever is applicable,
24 with the certification required in subdivision (d)(1) of this section.

25 (e) The amount of the income tax credit under this section that may be
26 used by a taxpayer for a taxable year may not exceed the amount of state
27 income tax due.

28 (f) A taxpayer who receives an income tax credit under this section
29 shall not claim any other state or local tax credit or deduction based on the
30 purchase of the qualified energy efficiency improvement, except for the
31 deduction for normal depreciation of the qualified energy efficiency
32 improvement.

33 (g)(1) The Department of Finance and Administration shall promulgate
34 rules to implement this section.

35 (2) Rules promulgated under subdivision (g)(1) of this section
36 may include without limitation the establishment of additional technical

1 specifications to the income tax credit specifications prescribed in 26
2 U.S.C. § 25C as it existed on January 1, 2009, and may establish requirements
3 for information and documentation for taxpayers seeking an income tax credit
4 under this section.

5 (3) In order to determine eligibility for the income tax credit
6 under this section or to ensure that the qualified energy efficiency
7 improvement is being utilized in the required manner, the department may
8 inspect facilities and records of a taxpayer requesting or receiving an
9 income tax credit under this section.

10 (h) A taxpayer may appeal a decision of the director under this
11 section under the Arkansas Tax Procedure Act, § 26-18-101 et seq.

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13 SECTION 2. Effective date. This act is effective for tax years
14 beginning on or after January 1, 2009 and expires December 31, 2011.