

2012 -- S 2549

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LC01950
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

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A N A C T

RELATING TO TAXATION - RESIDENTIAL RENEWABLE ENERGY SYSTEM TAX
CREDIT

Introduced By: Senators Sosnowski, Miller, DiPalma, Walaska, and E O'Neill

Date Introduced: February 28, 2012

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-57-5 of the General Laws in Chapter 44-57 entitled "Residential
2 Renewable Energy System Tax Credit" is hereby amended to read as follows:

3 **44-57-5. Computation of tax credit.** -- (a) The tax credit on each system as provided for
4 in this chapter shall be determined as follows:

5 (1) Photovoltaic systems:

6 (i) (A) Photovoltaic systems shall have a minimum module size of twenty-four (24)
7 square feet; and

8 (B) Be connected to a battery storage system or be grid interconnected;

9 (ii) Qualifying systems shall receive a tax credit of:

10 (A) Twenty-five percent (25%) of the cost of the system.

11 (iii) The maximum cost of the system shall not exceed fifteen thousand dollars
12 (\$15,000); provided, systems costing more than fifteen thousand dollars (\$15,000) will receive a
13 tax credit based on a fifteen thousand dollar (\$15,000) system cost.

14 (2) Solar domestic hot water systems:

15 (i) (A) Solar domestic hot water systems shall have a minimum collector area of thirty-
16 four (34) square feet; and

17 (B) A solar storage tank that is at least eighty (80) gallons.

18 (ii) Qualifying systems shall receive a tax credit of:

1 (A) Twenty-five percent (25%) of the cost of the system.

2 (iii) The maximum cost of the system shall not exceed seven thousand dollars (\$7,000);

3 provided, systems costing more than seven thousand dollars (\$7,000) will receive a tax credit

4 based on a seven thousand dollar (\$7,000) system cost.

5 (3) Active solar heating systems:

6 (i) (A) Active solar space heating systems shall have a minimum collector area of one

7 hundred twenty-five (125) square feet; and

8 (B) A system for storing and/or distributing the heat to the living area of the house.

9 (ii) Qualifying systems shall receive a tax credit of:

10 (A) Twenty-five percent (25%) of the cost of the system.

11 (iii) The maximum cost of the system shall not exceed fifteen thousand dollars

12 (\$15,000); provided, systems costing more than fifteen thousand dollars (\$15,000) will receive a

13 tax credit based on a fifteen thousand dollar (\$15,000) system cost.

14 (4) Wind energy systems:

15 (i) (A) Wind energy systems must have a rotor diameter of at least forty-four inches

16 (44"); and

17 (B) Have a minimum factory rated output of at least two hundred fifty (250) watts at

18 twenty-eight (28) mph.

19 (ii) Qualifying systems shall receive a tax credit of:

20 (A) Twenty-five percent (25%) of the cost of the system.

21 (iii) The maximum cost of the system shall not exceed fifteen thousand dollars

22 (\$15,000); provided, systems costing more than fifteen thousand dollars (\$15,000) will receive a

23 tax credit based on a fifteen thousand dollar (\$15,000) system cost.

24 (5) Geothermal systems:

25 (i) Geothermal systems must have either a coefficient of performance of 3.4 or greater or

26 an efficiency ratio of sixteen (16) or greater. All geothermal systems must have a commissioning

27 sign-off by the manufacturer or distributor of the equipment to verify the proper installation and

28 performance of the system. All geothermal systems must meet the following standards:

29 (A) ARI/ASHRAE/ISO-13256-1 for water to air geothermal systems;

30 (B) ARI/ASHRAE/ISO-13256-2 for water to water geothermal systems;

31 (C) ARI/ASHRAE/ISO-13256 GWHP for groundwater heat pumps;

32 (D) ARI/ASHRAE/ISO-13256 GLHP for closed loop heat pumps;

33 (ii) Qualifying systems shall receive a tax credit of:

34 (A) Twenty-five percent (25%) of the cost of the system.

1 (iii) The maximum cost of the system shall not exceed seven thousand dollars (\$7,000).
2 Provided, systems costing more than seven thousand dollars (\$7,000) will receive a tax credit
3 based on a seven thousand dollar (\$7,000) system cost.

4 (b) For purposes of the tax credit, the cost of the renewable energy system shall be the
5 net cost of acquiring the system, and shall not include:

- 6 (1) Unpaid labor including the applicant's labor;
- 7 (2) Operating and maintenance costs;
- 8 (3) Land costs;
- 9 (4) Legal and court costs;
- 10 (5) Patent search fees;
- 11 (6) Fees for variances;
- 12 (7) Loan interest;
- 13 (8) Service contracts;
- 14 (9) Cost of moving a used renewable energy system from one site to another;
- 15 (10) Cost of repair or resale of a system;
- 16 (11) Any part of the purchase price that is optional, such as an extended warranty or an
17 upgraded monitoring system; and
- 18 (12) Delivery fees.

19 (c) If the qualifying renewable energy system was manufactured in Rhode Island, the tax
20 credit shall be fifty percent (50%) of the cost of the system, subject to the same maximum credits
21 provided for in this section.

22 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO TAXATION - RESIDENTIAL RENEWABLE ENERGY SYSTEM TAX
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- 1 This act would amend the statute relating to tax credits for qualifying renewable energy
- 2 systems to provide an additional tax credit if the system was manufactured in Rhode Island.
- 3 This act would take effect upon passage.

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