

House Bill 577

By: Representatives Smith of the 70th, Forster of the 3rd, Lewis of the 15th, Smith of the 113th, Amerson of the 9th, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 2 of Chapter 7 of the Official Code of Georgia Annotated, relating to
2 imposition and computation of income taxes, so as to provide for a tax credit for certain
3 energy efficient homes; to provide a short title; to define terms; to provide for procedures,
4 conditions, and limitations; to provide for powers, duties, and authority of the state revenue
5 commissioner; to provide for an effective date and for applicability; to repeal conflicting
6 laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Article 2 of Chapter 7 of the Official Code of Georgia Annotated, relating to imposition and
10 computation of income taxes, is amended by adding a new Code section to read as follows:
11 "48-7-40.27.

12 (a) This Code section shall be known and may be cited as the 'Affordable Energy Efficient
13 Homes Act of 2007.'

14 (b) As used in this Code section, the term:

15 (1) 'Eligible expenditure' means any:

16 (A) Energy efficient heating or cooling system;

17 (B) Insulation material or system which is specifically and primarily designed to
18 reduce the heat gain or loss of a residential property when installed in or on such
19 property;

20 (C) Exterior windows, including skylights;

21 (D) Exterior doors; and

22 (E) Any metal roof installed on a residential property, but only if such roof has
23 appropriate pigmented coating that is specifically and primarily designed to reduce the
24 heat gain of such dwelling unit and meets Energy Star program requirements.

25 (2) 'Contractor' means the taxpayer who constructed the residential property or
26 manufactured home or, if more than one taxpayer qualifies, the primary contractor.

1 (3) 'Eligible energy efficient residential property' means a newly constructed residential
 2 property or manufactured home property which is located in the State of Georgia and
 3 substantially completed after December 31, 2007, and which is 2,000 square feet or less.
 4 In addition, in order to be eligible for the credit provided in paragraph (1) of subsection
 5 (c) of this Code section, the property must be certified by an accredited Residential
 6 Energy Services Network Provider using the Home Energy Rating System to have:

7 (A) A level of annual heating and cooling energy consumption which is at least 40
 8 percent below the annual level of heating and cooling energy consumption of a
 9 comparable residential property constructed in accordance with the standards of
 10 Chapter 4 of the 2006 International Energy Conservation Code, as such code is in effect
 11 on January 1, 2007;

12 (B) Heating and cooling equipment efficiencies which correspond to the minimum
 13 allowed under the regulations established by the Department of Energy pursuant to the
 14 National Appliance Energy Conservation Act of 1987 and in effect at the time of
 15 construction of the property; and

16 (C) Building envelope component improvements which account for at least one-fifth
 17 of the reduced annual heating and cooling energy consumption levels.

18 (c) A taxpayer shall be allowed a credit against the tax imposed by this chapter for eligible
 19 expenditures incurred in the construction of eligible energy efficient residential property
 20 of 2,000 square feet or less. The amount of credit shall be based upon the following:

21 (1) For any eligible energy efficient residential property constructed and certified as 40
 22 percent or more above the 2006 International Energy Conservation Code and any
 23 supplement in effect at the time of completion, the amount of the credit shall be equal to
 24 the eligible expenditures, not to exceed \$4,000.00 for the taxpayer who is the contractor;
 25 and

26 (2) For any eligible energy efficient residential property constructed and certified as
 27 between 20 percent and 39 percent above the 2006 International Energy Conservation
 28 Code and any supplement in effect at the time of completion, the credit shall be equal to
 29 the eligible expenditures, not to exceed \$2,000.00 for the taxpayer who is the contractor."

30 SECTION 2.

31 This Act shall become effective on January 1, 2008, and shall apply with respect to taxable
 32 years beginning on or after that date.

33 SECTION 3.

34 All laws and parts of laws in conflict with this Act are repealed.