

House Bill 1069

By: Representatives Wilkinson of the 52nd, Porter of the 143rd, Lindsey of the 54th, Hugley of the 133rd, Stephens of the 164th, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated,
2 relating to income tax imposition, rate, computation, and exemptions, so as to provide for tax
3 credits for certain qualified equipment that reduces business or domestic energy or water
4 usage; to provide an effective date; to repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 **SECTION 1.**

7 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to
8 income tax imposition, rate, computation, and exemptions, is amended by adding a new Code
9 section to read as follows:

10 "48-7-40.29.

11 (a) As used in this Code section, the term:

12 (1) 'Qualified equipment' means energy efficient equipment or water efficient equipment.

13 (2) 'Energy efficient equipment' means all machinery and equipment certified pursuant
14 to rules and regulations promulgated for purposes of this Code section by the
15 commissioner, in consultation with the Department of Natural Resources, as effective in
16 reducing business or domestic energy usage. Such certifications may include, by way of
17 example and not limitation, any dishwasher, clothes washer, air conditioner, ceiling fan,
18 fluorescent light bulb, dehumidifier, programmable thermostat, refrigerator, door, or
19 window which has been designated by the United States Environmental Protection
20 Agency and the United States Department of Energy as meeting or exceeding each such
21 agency's energy saving efficiency requirements or which have been designated as
22 meeting or exceeding such requirements under each such agency's Energy Star program.

23 (3) 'Water efficient equipment' means all machinery and equipment certified pursuant
24 to rules and regulations promulgated for purposes of this Code section by the
25 commissioner, in consultation with the Department of Natural Resources, as effective in
26 reducing business or domestic water usage. Such certifications may include, by way of

27 example and not limitation, any product used for the conservation or efficient use of
28 water which has been designated by the United States Environmental Protection Agency
29 as meeting or exceeding such agency's water saving efficiency requirements or which has
30 been designated as meeting or exceeding such requirements under such agency's Water
31 Sense program.

32 (b) Rules and regulations of the commissioner shall establish classifications or categories
33 of qualified equipment, and no item of such qualified equipment shall be included in more
34 than one classification or category for purposes of claiming a tax credit under this Code
35 section. The commissioner, in consultation with the Department of Natural Resources,
36 may take all reasonable and necessary steps to identify qualified equipment and to bring
37 such equipment to the attention of businesses in this state qualified to install such
38 equipment.

39 (c) After the effective date of this Code section, any taxpayer who is the ultimate purchaser
40 of an item of qualified equipment for installation as part of new construction or for retrofit
41 in this state shall be allowed a single credit against the tax imposed under this article in the
42 taxable year in which such qualified equipment was placed in service. The amount of the
43 credit allowed under this Code section shall be a percentage of the aggregate cost of the
44 qualified equipment to be fixed for each classification or category of such equipment by
45 rules and regulations promulgated by the commissioner, in consultation with the
46 Department of Natural Resources, not to exceed the lesser of 25 percent of the cost thereof
47 or \$2,500.00.

48 (d) The credit granted under subsection (c) of this Code section shall be subject to the
49 following conditions and limitations:

50 (1) The utilization of the credit granted in this Code section shall have no effect on the
51 taxpayer's ability to claim depreciation for tax purposes on assets acquired by the
52 taxpayer, nor shall the credit have any effect on the taxpayer's basis in such assets for the
53 purpose of depreciation; and

54 (2) Credits shall be granted under subsection (c) of this Code section only for those
55 taxable years in which, and only to the extent that, federal funds granted to the state are
56 made available for purposes of this Code section. If no federal funds are available for
57 such purposes, no credit shall be granted under subsection (c) of this Code section."

58 **SECTION 2.**

59 This Act shall become effective only upon the date that federal funds granted to the state are
60 made available for purposes of this Act.

61

SECTION 3.

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