

The Senate Finance Committee offered the following substitute to HB 818:

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 48-7-29.14 of the Official Code of Georgia Annotated, relating to
2 the income tax credit for clean energy property, so as to include certain commercial
3 geothermal heat pumps with the definition of the term "clean energy property"; to amend
4 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to the
5 imposition, rate, computation, and exemptions regarding income tax, so as to provide for an
6 income tax credit with respect to certain trucks, buses, and taxis that are fueled by natural
7 gas; to provide for conditions and limitations; to provide for powers, duties, and authority of
8 the state revenue commissioner with respect to the foregoing; to repeal a certain tax credit
9 for low-emission vehicles; to provide for related matters; to repeal conflicting laws; and for
10 other purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

12 Code Section 48-7-29.14 of the Official Code of Georgia Annotated, relating to the income
13 tax credit for clean energy property, is amended by revising paragraph (3) of subsection (a)
14 as follows:

15 "(3) 'Clean energy property' includes any of the following:

- 16 (A) Solar energy equipment that uses solar radiation as a substitute for traditional
17 energy for water heating, active space heating and cooling, passive heating, daylighting,
18 generating electricity, distillation, desalinization, or the production of industrial or
19 commercial process heat, as well as related devices necessary for collecting, storing,
20 exchanging, conditioning, or converting solar energy to other useful forms of energy;
21 (B) Energy Star certified geothermal heat pump systems or commercial three-phase
22 geothermal heat pump systems that meet the Energy Star efficiency requirements for
23 energy efficiency ratio (EER) and coefficient of performance (COP);
24 (C) Energy efficient projects as follows:
25

- 26 (i) Lighting retrofit projects. 'Lighting retrofit project' means a lighting retrofit
 27 system that employs dual switching (ability to switch roughly half the lights off and
 28 still have fairly uniform light distribution), delamping, daylighting, relamping, or
 29 other controls or processes which reduce annual energy and power consumption by
 30 30 percent compared to the American Society of Heating, Refrigerating, and Air
 31 Conditioning Engineers 2004 standard (ASHRAE 90.1.2004); and
- 32 (ii) Energy efficient buildings. 'Energy efficient building' means for other than
 33 single-family residential property new or retrofitted buildings that are designed,
 34 constructed, and certified to exceed the standards set forth in the American Society
 35 of Heating, Refrigerating, and Air Conditioning Engineers 2004 standard (ASHRAE
 36 90.1.2004) by 30 percent;
- 37 (D) Wind equipment required to capture and convert wind energy into electricity or
 38 mechanical power as well as related devices that may be required for converting,
 39 conditioning, and storing the electricity produced by wind equipment; and
- 40 (E) Biomass equipment to convert wood residuals into electricity through gasification
 41 and pyrolysis."

42 SECTION 2.

43 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to the
 44 imposition, rate, computation, and exemptions regarding income tax, is amended by adding
 45 new Code sections to read as follows:

46 "48-7-29.18.

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

48 (1) 'Natural gas heavy-duty truck or bus' means a new commercial vehicle, with a gross
 49 vehicle weight ratio equal to or more than 26,000 pounds, that is primarily fueled by
 50 natural gas. 'Primarily fueled by natural gas' means a vehicle that is produced by an
 51 original equipment manufacturer and operates on 90 percent or more natural gas fuel and
 52 on 10 percent or less gasoline or diesel fuel. In order to qualify for a tax credit under this
 53 Code section, the vehicle shall be registered in Georgia, accumulate at least 75 percent
 54 of its mileage in Georgia, and be certified by the Department of Natural Resources. In
 55 order for a bus to qualify for a tax credit under this Code section, it shall be primarily
 56 used to transport students to and from school or on a campus in this state.

57 (2) 'Natural gas light-duty truck' means a new commercial vehicle, with a gross vehicle
 58 weight ratio less than 26,000 pounds, that is solely fueled by natural gas and that is
 59 produced by an original equipment manufacturer. In order to qualify for a tax credit
 60 under this Code section, the vehicle shall be registered in Georgia, accumulate at least 75

61 percent of its mileage in Georgia, and be certified by the Department of Natural
62 Resources.

63 (3) 'Taxi' means a vehicle that is solely fueled by natural gas and used as a commercial
64 taxi in this state. In order to qualify for a tax credit under this Code section, a taxi shall
65 be a new vehicle that is registered and licensed to operate in Georgia and which is
66 certified by the Department of Natural Resources.

67 (b) A taxpayer shall be allowed a credit against tax imposed under this article for the
68 amount expended on or after July 1, 2013, and before June 30, 2017, to purchase a natural
69 gas heavy-duty truck or bus not to exceed \$20,000.00. A taxpayer shall be allowed a credit
70 against tax imposed by under this article for the amount expended on or after July 1, 2013,
71 and before June 30, 2017, to purchase a natural gas light-duty truck or taxi not to exceed
72 \$12,000.00.

73 (c)(1) The tax credits allowed under this Code section shall be limited to \$10 million in
74 each fiscal year beginning with fiscal year 2014 and ending with fiscal year 2017.

75 (2) In each year that this tax credit is allowed, 70 percent shall be allocated to natural gas
76 heavy-duty truck or bus purchasers, and 30 percent shall be allocated to natural gas
77 light-duty truck or taxi purchasers. In the event that credits provided for purchases of
78 natural gas heavy-duty trucks or buses in a taxable year are calculated to be less than 70
79 percent of the funding provided for such credits, the remaining funds shall be made
80 available for tax credits related to the purchase of natural gas light-duty trucks or taxis.
81 This redistribution of funds shall also apply if the 30 percent credit was not fully used for
82 natural gas light-duty truck or taxi purchases, and in such case the remaining funds shall
83 then be made available for natural gas heavy-duty truck or bus purchases.

84 (d) In no event shall the total amount of any tax credit provided under this Code section
85 for a taxable year exceed the taxpayer's income tax liability. Any unused tax credit shall
86 be allowed the taxpayer against succeeding years' tax liabilities. No such credit shall be
87 allowed the taxpayer against prior years' tax liabilities.

88 (e) The commissioner shall be authorized to promulgate any rules and regulations
89 necessary to implement and administer the provisions of this Code section.

90 48-7-29.19.

91 (a) A taxpayer seeking to claim a tax credit under the provisions of Code Section
92 48-7-29.18 shall submit an application to the commissioner for tentative approval of such
93 tax credit along with the certification from the Department of Natural Resources. Before
94 any application under Code Section 48-7-29.18 is filed, the applicant shall have completed
95 the purchase and registration in this state of the qualified vehicle or vehicles. The
96 commissioner shall create and make available the forms to be used for such applications.

97 Within 60 days of receipt of a properly completed application, the commissioner shall
98 preapprove the application if a sufficient amount of available tax credits remain.

99 (b) The commissioner shall approve the tax credits based on the order in which properly
100 completed applications were submitted. In the event that two or more applications were
101 submitted on the same day and the amount of funds available will not be sufficient to fully
102 fund the tax credits requested, the commissioner shall prorate the available funds between
103 or among the applicants.

104 (c) In no event shall the aggregate amount of the tax credits approved by the commissioner
105 for all taxpayers under the provisions of this Code section exceed the amounts specified in
106 subsection (c) of Code Section 48-7-29.18. In the event a taxpayer filed a properly
107 completed application along with the certification from the Department of Natural
108 Resources for such credits but is not allowed all or part of the credit amounts to which such
109 taxpayer would be authorized to receive because the amounts available have been reached,
110 the commissioner shall add such taxpayer to a priority waiting list of applications,
111 prioritized by the date of the taxpayer's filed application. With respect to the allocation of
112 tax credits in subsequent years, taxpayers on the priority waiting list shall have priority
113 over other taxpayers who apply for such tax credit in the subsequent years."

114 **SECTION 3.**

115 Code Section 48-7-40.16 of the Official Code of Georgia Annotated, relating to income tax
116 credits for low-emission vehicles, is repealed and designated as reserved.

117 **SECTION 4.**

118 (a) Section 2 of this Act shall become effective upon its approval by the Governor or upon
119 its becoming law without such approval and shall be applicable to all taxable years beginning
120 on or after January 1, 2012.

121 (b) The remaining portions of this Act shall become effective upon its approval by the
122 Governor or upon its becoming law without such approval

123 **SECTION 5.**

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