

REFERENCE TITLE: solar energy tax credit; application

State of Arizona
House of Representatives
Forty-eighth Legislature
First Regular Session
2007

HB 2491

Introduced by
Representatives Mason, Boone: Anderson, Nelson, Prezelski, Weiers J

AN ACT

AMENDING SECTIONS 43-1085 AND 43-1164, ARIZONA REVISED STATUTES; RELATING TO
INCOME TAX CREDITS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 43-1085, Arizona Revised Statutes, is amended to
3 read:

4 43-1085. Credit for solar energy devices: commercial and
5 industrial applications

6 A. For taxable years beginning from and after December 31, 2005
7 through December 31, 2012, a credit is allowed against the taxes imposed by
8 this title for ~~installing~~ A TAXPAYER WHO EITHER:

9 1. ~~INSTALLED~~ one or more solar energy devices, as defined in section
10 42-5001 and certified pursuant to section ~~41-1501.10~~ 41-1510.01, during the
11 taxable year for commercial, ~~or~~ industrial ~~purposes~~ OR ANY OTHER
12 ~~NONRESIDENTIAL APPLICATION~~ in the taxpayer's ~~trade or business~~ FACILITY
13 located in this state. ~~or~~

14 2. Financed, ~~INSTALLED OR DEVELOPED SUCH A SOLAR ENERGY DEVICE PLACED~~
15 ~~IN OPERATION DURING THE TAXABLE YEAR~~ by a third party organization THAT IS
16 NOT SUBJECT TO TAXATION UNDER THIS TITLE.

17 B. The amount of the credit is equal to ten per cent of the installed
18 cost of the device.

19 C. The person who provides or installs the device shall furnish the
20 taxpayer with an accounting of the cost to the taxpayer.

21 D. The taxpayer may not cumulate total tax credits under this section
22 exceeding twenty-five thousand dollars with respect to the same building in
23 the same year or fifty thousand dollars in total credits in any year.

24 E. If the allowable credit exceeds the taxes otherwise due under this
25 title on the claimant's income, or if there are no taxes due under this
26 title, the amount of the claim not used to offset taxes under this title may
27 be carried forward for not more than five consecutive taxable years as a
28 credit against subsequent years' income tax liability.

29 F. Co-owners of a business, including partners in a partnership and
30 shareholders of an S corporation, as defined in section 1361 of the internal
31 revenue code, may each claim only the pro rata share of the credit allowed
32 under this section based on the ownership interest or financial investment in
33 the system. The total of the credits allowed all such owners may not exceed
34 the amount that would have been allowed a sole owner.

35 Sec. 2. Section 43-1164, Arizona Revised Statutes, is amended to read:

36 43-1164. Credit for solar energy devices: commercial and
37 industrial applications

38 A. For taxable years beginning from and after December 31, 2005
39 through December 31, 2012, a credit is allowed against the taxes imposed by
40 this title for ~~installing~~ A TAXPAYER THAT EITHER:

41 1. ~~INSTALLED~~ one or more solar energy devices, as defined in section
42 42-5001 and certified pursuant to section ~~41-1501.10~~ 41-1510.01, during the
43 taxable year for commercial, ~~or~~ industrial ~~purposes~~ OR ANY OTHER
44 ~~NONRESIDENTIAL APPLICATION~~ in the taxpayer's ~~trade or business~~ FACILITY
45 located in this state. ~~or~~

1 2. Financed, **INSTALLED OR DEVELOPED SUCH A SOLAR ENERGY DEVICE PLACED**
2 **IN OPERATION DURING THE TAXABLE YEAR** by a third party organization **THAT IS**
3 **NOT SUBJECT TO TAXATION UNDER THIS TITLE.**

4 B. The amount of the credit is equal to ten per cent of the installed
5 cost of the device.

6 C. The person who provides or installs the device shall furnish the
7 taxpayer with an accounting of the cost to the taxpayer.

8 D. The taxpayer may not cumulate total tax credits under this section
9 exceeding twenty-five thousand dollars with respect to the same building in
10 the same year or fifty thousand dollars in total credits in any year.

11 E. If the allowable credit exceeds the taxes otherwise due under this
12 title on the claimant's income, or if there are no taxes due under this
13 title, the amount of the claim not used to offset taxes under this title may
14 be carried forward for not more than five consecutive taxable years as a
15 credit against subsequent years' income tax liability.

16 F. Co-owners of a business, including corporate partners in a
17 partnership, may each claim only the pro rata share of the credit allowed
18 under this section based on the ownership interest or financial investment in
19 the system. The total of the credits allowed all such owners may not exceed
20 the amount that would have been allowed a sole owner.

21 Sec. 3. Retroactivity

22 This act applies retroactively to taxable years beginning from and
23 after December 31, 2005.