



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB5364

Introduced 01/26/06, by Rep. Carolyn H. Krause

SYNOPSIS AS INTRODUCED:

20 ILCS 605/605-347 new
35 ILCS 5/216 new

Amends the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois. Requires the Department of Commerce and Economic Opportunity to establish and maintain a program to certify energy-efficient heating and cooling systems and to certify contractors to provide services with respect to those systems. Requires the Department to certify tax-credit amounts with respect to energy-efficient heating and cooling systems. Requires the Department to post this information in its Internet website. Amends the Illinois Income Tax Act. Provides tax credits for each individual taxpayer who: (i) purchases and installs a certified energy-efficient heating or cooling systems in his or her residence; (ii) hire a certified contractor to install sealed ductwork or seal existing ductwork in the taxpayer's residential dwelling; or (iii) hires a certified contractor to test a heat pump system or central air conditioning system and service the system for optimal performance in the taxpayer's residential dwelling. Sets forth the amounts of the credits. Provides that the credits may not be carried forward or back and may not reduce the taxpayer's liability to less than zero. Effective immediately.

LRB094 15876 BDD 51098 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Department of Commerce and Economic
5 Opportunity Law of the Civil Administrative Code of Illinois is
6 amended by adding Section 605-347 as follows:

7 (20 ILCS 605/605-347 new)

8 Sec. 605-347. Certification of energy-efficient heating
9 and cooling systems.

10 (a) Before December 31, 2006, the Department must establish
11 and maintain a program to make certifications concerning
12 energy-efficient heating and cooling systems for purposes of
13 the income tax credit set forth under Section 216 of the
14 Illinois Income Tax Act.

15 (b) For the purpose of this Section:

16 "Energy-efficient heating or cooling system" includes any
17 air conditioning system, heat pump system, furnace, boiler, air
18 handler, combination space and water heating system, and heat
19 recovery ventilation system that (i) meets minimum
20 requirements of the Department, which must be based upon
21 federal Energy Guide standards and (ii) is installed by a
22 contractor certified by the Department under this Section.

23 (c) The Department must certify which systems qualify as an
24 energy-efficient heating or cooling system and must certify the
25 amount of the income tax credit available for the purchase and
26 installation of that system. The amount of the credit:

27 (1) for a certified air conditioning system, air
28 handler, combination space and water heating system, or
29 heat recovery ventilation system is the amount determined
30 by the Department based upon federal Energy Guide
31 standards;

32 (2) for a certified heat pump system is an amount not

1 less than \$300 and not more than \$680 to be determined by
2 the Department based upon federal Energy Guide standards;

3 (3) for a certified boiler is \$225; and

4 (4) for a certified furnace is \$350.

5 (d) The Department must certify contractors to install
6 Energy-efficient heating or cooling systems, test and service
7 heat pumps and central air conditioning systems, and install
8 sealed ductwork or seal existing ductwork in residential
9 dwelling. The Department must, by rule, adopt standards for
10 certified contractors and develop application procedures for
11 certifying the contractors.

12 (e) The Department must post, on its Internet website, a
13 list of each energy-efficient heating or cooling system and the
14 amount of the income tax credit available for the purchase and
15 installation of that system and a list of each certified
16 contractor.

17 Section 10. The Illinois Income Tax Act is amended by
18 adding Section 216 as follows:

19 (35 ILCS 5/216 new)

20 Sec. 216. Credits for energy-efficient heating and cooling
21 systems.

22 (a) For taxable years ending on or after December 31, 2006
23 and on or before December 30, 2011, each individual taxpayer
24 who, during the taxable year, purchases and installs, in the
25 taxpayer's residence, a certified energy-efficient heating or
26 cooling system, as defined under Section 605-347 of the
27 Department of Commerce and Economic Opportunity Law of the
28 Civil Administrative Code of Illinois, is entitled to a credit
29 against the taxes imposed under subsections (a) and (b) of
30 Section 201 in an amount equal to the lesser of: (i) the credit
31 amount certified by the Department of Commerce and Economic
32 Opportunity under subsection (c) of Section 605-347 of the
33 Department of Commerce and Economic Opportunity Law; or (ii)
34 25% of the cost of the purchase and installation of the

1 certified energy-efficient heating or cooling system. To
2 qualify for the credit, all installation work must be performed
3 by contractor certified under subsection (d) of Section 605-347
4 of the Department of Commerce and Economic Opportunity Law.

5 (b) For taxable years ending on or after December 31, 2006
6 and on or before December 30, 2011, each individual taxpayer
7 who, during the taxable year, has hired a contractor certified
8 under subsection (d) of Section 605-347 of the Department of
9 Commerce and Economic Opportunity Law to install sealed
10 ductwork or seal existing ductwork in the taxpayer's
11 residential dwelling is entitled to the lesser of (i) \$250 or
12 (ii) 25% of the cost of the services.

13 (c) For taxable years ending on or after December 31, 2006
14 and on or before December 30, 2011, each individual taxpayer
15 who, during the taxable year, has hired a contractor certified
16 under subsection (d) of Section 605-347 of the Department of
17 Commerce and Economic Opportunity Law to test a heat pump
18 system or central air conditioning system and service the
19 system for optimal performance in the taxpayer's residential
20 dwelling is entitled to the lesser of (i) \$250 or (ii) 25% of
21 the cost of the services.

22 (d) The credits under this Section may not be carried
23 forward or back. In no event may a credit under this Section
24 reduce the taxpayer's liability to less than zero.

25 Section 99. Effective date. This Act takes effect upon
26 becoming law.