



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

HB3306

Introduced 2/24/2011, by Rep. Chris Nybo - Michael Unes -  
Richard Morthland

#### SYNOPSIS AS INTRODUCED:

35 ILCS 5/221 new

Amends the Illinois Income Tax Act. Provides for a credit for taxpayers who, during the taxable year, install, on a building or property that is owned by the taxpayer and that is located in the State, a geothermal energy device and sets the amount of the credit at the lesser of (i) \$5,000 or (ii) 50% of the actual cost of the acquisition and installation of the device. Provides that the credit may not be carried forward or back and may not reduce the taxpayer's liability to less than zero. Effective immediately.

LRB097 08855 HLH 48985 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

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 Illinois Income Tax Act is amended by adding  
5 Section 221 as follows:

6 (35 ILCS 5/221 new)

7 Sec. 221. Credit for geothermal energy devices.

8 (a) For taxable years ending on or after December 31, 2011  
9 through taxable years ending on or before December 30, 2016,  
10 each taxpayer who, during the taxable year, installs, on a  
11 building or property that is owned by the taxpayer and that is  
12 located in the State, a geothermal energy device is entitled to  
13 a credit against the tax imposed under subsection (a) and (b)  
14 of Section 201 in an amount equal to the lesser of (i) \$5,000  
15 or (ii) 50% of the actual cost of the acquisition and  
16 installation of the device.

17 (b) For the purposes of this Section:

18 "Geothermal energy device" means a system or mechanism or  
19 series of mechanisms designed to provide heating or cooling or  
20 to produce electrical or mechanical power, or any combination  
21 of these, by a method that extracts or converts the energy  
22 naturally occurring beneath the earth's surface in rock  
23 structures, water, or steam.

1       (c) If a geothermal energy device is part of a system that  
2 uses other means of energy, then only that portion of the total  
3 system that is directly attributable to the cost of the  
4 geothermal energy device may be included in determining the  
5 amount of the credit. The costs of installation may not include  
6 the costs of redesigning, remodeling, or otherwise altering the  
7 structure of a building in which a geothermal energy device is  
8 installed.

9       (d) If the taxpayer is a partnership or Subchapter S  
10 corporation, the credit is allowed to the partners or  
11 shareholders in accordance with the determination of income and  
12 distributive share of income under Sections 702 and 704 and  
13 Subchapter S of the Internal Revenue Code.

14       (e) The credit may not be carried forward or back. In no  
15 event shall a credit under this Section reduce the taxpayer's  
16 liability to less than zero.

17       Section 99. Effective date. This Act takes effect upon  
18 becoming law.