

HB3507



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB3507

Introduced 2/24/2011, by Rep. Michelle Mussman

SYNOPSIS AS INTRODUCED:

35 ILCS 5/221 new

Amends the Illinois Income Tax Act. Creates a credit for taxpayers who install a renewable energy system in a residential or commercial building owned or leased by the taxpayer during the taxable year. Sets forth the amount of the credit. Provides that the credit may be carried forward. Effective immediately.

LRB097 08728 HLH 48857 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 renewable energy systems.

8 (a) For taxable years beginning on or after January 1, 2012
9 and ending on or before December 31, 2017, each taxpayer that
10 installs a renewable energy system during the taxable year in a
11 residential or commercial building owned or leased by the
12 taxpayer is entitled to a credit against the tax imposed under
13 subsections (a) and (b) of Section 201 in an amount equal to
14 (i) 30% of the total system cost or \$25,000, whichever is less,
15 if the system is under 50kW and produces at least 25% of the
16 building's energy use or (ii) 30% of the total system cost or
17 \$100,000, whichever is less, if the system produces at least
18 300,000 kilowatt hours per year.

19 (b) The tax credit may not reduce the taxpayer's liability
20 to less than zero. If the amount of the tax credit exceeds the
21 tax liability for the year, the excess may be carried forward
22 and applied to the tax liability of the 5 taxable years
23 following the excess credit year. The credit must be applied to

1 the earliest year for which there is a tax liability. If there
2 are credits from more than one tax year that are available to
3 offset a liability, then the earlier credit must be applied
4 first.

5 (c) For the purposes of this Section, "renewable energy
6 system" means a system that generates energy from wind, solar
7 thermal energy, photovoltaic cells and panels, biodiesel,
8 crops and untreated and unadulterated organic waste biomass,
9 tree waste, hydropower that does not involve new construction
10 or significant expansion of hydropower dams, and other
11 alternative sources of environmentally preferable energy.

12 Section 99. Effective date. This Act takes effect upon
13 becoming law.