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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE No. 2021

March 23, 2009

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The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; providing a tax credit for certain residential solar energy
1.3 system installations; proposing coding for new law in Minnesota Statutes,
1.4 chapter 290.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. **[290.0681] RESIDENTIAL SOLAR ENERGY SYSTEM**
1.7 **INSTALLATION CREDIT.**

1.8 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms
1.9 have the meanings given.

1.10 (b) "Qualifying residential solar energy expenditures" means expenditures for
1.11 the purchase and installation of a solar energy system in residential property located
1.12 in this state that is installed after December 31, 2008, and before January 1, 2011, and
1.13 meets the requirements of United States Code, title 26, section 25D, as amended by the
1.14 American Recovery and Reinvestment Act of 2009. Qualified residential solar energy
1.15 expenditures do not include expenditures for equipment used to heat water used in a hot
1.16 tub or swimming pool, or for domestic use if less than half of the energy used by the
1.17 residence for that purpose is derived from the sun.

1.18 (c) "Residential property" means the principal residence used by the taxpayer at the
1.19 time the solar energy system is placed in service.

1.20 (d) "Solar energy system" means a qualified solar water heating property expenditure
1.21 or qualified solar electric property expenditure as defined in United States Code, title
1.22 26, section 25D.

1.23 Subd. 2. **Credit allowed.** A taxpayer is allowed a credit against the tax that would
1.24 otherwise be due under this chapter for a qualified solar energy system installed after

2.1 December 31, 2008. The credit is equal to 30 percent of the total cost incurred during the
2.2 taxable year for installation of a solar energy system, but may not exceed \$4,000 for all
2.3 taxable years.

2.4 Subd. 3. **Carryover.** (a) The credit allowed, including carryovers, may not reduce
2.5 the tax otherwise due under this chapter to less than zero.

2.6 (b) A taxpayer entitled to a credit that exceeds the taxpayer's total tax due for the
2.7 taxable year in which the credit is earned may carry over the excess amount and apply it to
2.8 the taxpayer's tax liability for any of the next three succeeding taxable years.

2.9 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
2.10 December 31, 2008.