

## Assembly Bill No. 1968

### CHAPTER 843

An act to add Sections 17138.1 and 24308.1 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor September 24, 2002. Filed with Secretary of State September 24, 2002.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 1968, Nation. Income taxes: exclusions: energy conservation rebates.

The Personal Income Tax Law provides an exclusion from gross income for any amount received as a rebate from a local water agency or supplier for the purchase of a water conservation water closet.

This bill would allow an exclusion from gross income under both the Personal Income Tax Law and the Bank and Corporation Tax Law with respect to vouchers, rebates, or other financial incentives received from the California Energy Commission, the Public Utilities Commission, or a local publicly owned utility, as defined, for the purchase or installation of specified energy production systems.

This bill would take effect immediately as a tax levy.

*The people of the State of California do enact as follows:*

SECTION 1. Section 17138.1 is added to the Revenue and Taxation Code, to read:

17138.1. Gross income does not include any amount received as a rebate, voucher, or other financial incentive issued by the California Energy Commission, the Public Utility Commission, or a local publicly owned electric utility, as defined in subdivision (d) of Section 9604 of the Public Utilities Code, for any expenses paid or incurred by a taxpayer for the purchase or installation of any of the following devices:

(a) A thermal system as defined in Section 25600 of the Public Resources Code.

(b) A solar system as defined in Section 25600 of the Public Resources Code.

(c) A wind energy system device that produces electricity.

(d) A fuel cell generating system, as described in the California Energy Commission's Emerging Renewable Resources Account Guidebook, that produces electricity.



SEC. 2. Section 24308.1 is added to the Revenue and Taxation Code, to read:

24308.1. Gross income does not include any amount received as a rebate, voucher, or other financial incentive issued by the California Energy Commission, the Public Utility Commission, or a local publicly owned electric utility, as defined in subdivision (d) of Section 9604 of the Public Utilities Code, for any expenses paid or incurred by a taxpayer for the purchase or installation of any of the following devices:

(a) A thermal system as defined in Section 25600 of the Public Resources Code.

(b) A solar system as defined in Section 25600 of the Public Resources Code.

(c) A wind energy system device that produces electricity.

(d) A fuel cell generating system, as described in the California Energy Commission's Emerging Renewable Resources Account Guidebook, that produces electricity.

SEC. 3. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

