SENATE BILL **No. 463**

Introduced by Senator Strickland

February 26, 2009

An act to add and repeal Sections 17053.110 and 23601.110 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 463, as introduced, Strickland. Income and corporation tax credits: renewable energy projects.

The Personal Income Tax Law and the Corporation Tax Law authorize various credits against the taxes imposed by those laws.

This bill would, under both laws, for taxable years beginning on or after January 1, 2009, and before January 1, 2017, allow a credit for all taxable years in an amount, not to exceed $3,000, equal to 30% of the costs paid or incurred for the purchase and installation of renewable energy resources or renewable energy resources conversion technology projects, as provided.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

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

SECTION 1. Section 17053.110 is added to the Revenue and Taxation Code, to read:

17053.110. (a) For taxable years beginning on or after January 1, 2009, and before January 1, 2017, there shall be allowed as a credit against the "net tax," as defined by Section 17039, an amount equal to 30 percent of the costs paid or incurred by the taxpayer during the taxable year for the purchase and installation of a renewable energy resource project or a renewable energy resource conversion technology project if either type of project is installed on property owned or leased by the taxpayer and reduces the taxpayer's energy usage from the energy grid.

(b) The credit allowed by this section for all taxable years shall not exceed three thousand dollars ($3,000) per taxpayer.

(c) In the case where the credit allowed by this section exceeds the "net tax," the excess may be carried over to reduce the "net tax" in the following year, and succeeding years if necessary, until the credit is exhausted.

(d) This section shall remain in effect only until December 1, 2017, and as of that date is repealed.

SEC. 2. Section 23601.110 is added to the Revenue and Taxation Code, to read:

23601.110. (a) For taxable years beginning on or after January 1, 2009, and before January 1, 2017, there shall be allowed as a credit against the "tax," as defined by Section 23036, an amount equal to 30 percent of the costs paid or incurred by the taxpayer during the taxable year for the purchase and installation of a renewable energy resource project or a renewable energy resource conversion technology project if either type of project is installed on property owned or leased by the taxpayer and reduces the taxpayer's energy usage from the energy grid.

(b) The credit allowed by this section for all taxable years shall not exceed three thousand dollars ($3,000) per taxpayer.

(c) In the case where the credit allowed by this section exceeds the "tax," the excess may be carried over to reduce the "tax" in the following year, and succeeding years if necessary, until the credit is exhausted.

(d) This section shall remain in effect only until December 1, 2017, and as of that dated is repealed.

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

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