

HOUSE BILL NO. 1684

92ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES LAWSON (Sponsor), WILDBERGER, PAGE, ABEL, WARD, SALVA, VILLA, DAUS, WHORTON, BYRD, MYERS, HARRIS (23), JOHNSON (90), MUCKLER, DAVIS (122), SELBY, HOSKINS, FRASER, DOUGHERTY, PORTWOOD, SEIGFREID, LOWE, MEINERS, BRINGER, GRAHAM, CARNAHAN, HILGEMANN, JOLLY, DONNELLY, CURLS, WILSON (42), LIESE, HOLAND, SCHAAF, TOWNLEY, CRAWFORD, JETTON, SKAGGS, BLACK, TAYLOR, VOGT, CORCORAN, HARRIS (110), RANSDALL, SCHNEIDER, MILLER, MOORE, GREEN AND MAYER (Co-sponsors).

Read 1st time March 17, 2004, and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

4908L.011

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to tax credits for qualified net metering units and renewable energy equipment.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 135, RSMo, is amended by adding thereto one new section, to be known as section 135.1105, to read as follows:

135.1105. 1. As used in this section, the following terms shall mean:

- (1) "Department", the department of natural resources;**
- (2) "Qualified expenditures", expenditures for materials; labor costs directly allocable to on-site preparation, assembly, and original installation; and engineering services related to the construction or installation of a qualified net-metering unit, but shall not include interest or other finance charges;**
- (3) "Qualified net-metering unit", an electric generation unit which:**
 - (a) Is owned by a customer generator;**
 - (b) Uses renewable energy;**
 - (c) Has an electrical generating system with a capacity of not more than one hundred kilowatts;**
 - (d) Is located on the premises that are owned, operated, leased or otherwise controlled by the customer generator;**
 - (e) Is interconnected and operates in parallel and in synchronization with a retail**

15 electric supplier;

16 (f) Is intended primarily to offset part or all of the customer generator's own
17 electrical requirements;

18 (g) Is proposed to be installed on property the taxpayer owns in Missouri; and

19 (h) Can reasonably be expected to remain in use for at least five years;

20 (4) "Renewable Energy", energy from wind, solar thermal sources, photovoltaic
21 cells and panels, dedicated crops grown for energy production, organic waste biomass used
22 for electricity production, low-head hydropower, and other alternative sources of energy
23 as defined in rule by the department.

24 2. For all tax years beginning on or after January 1, 2005, a taxpayer shall be
25 allowed a credit against the tax imposed by chapter 143, RSMo, of up to twenty-five
26 percent of the taxpayer's qualified expenditures for purchase and installation of a qualified
27 net-metering unit not to exceed seven-thousand five hundred dollars. Before the taxpayer
28 may claim the credit the taxpayer shall:

29 (1) Submit plans, specifications, and anticipated costs to the department;

30 (2) Have made no expenditures related to the purchase or installation of the
31 qualified net-metering unit before submission of the plans, specifications, and anticipated
32 costs; and

33 (3) Upon completion of the installation on a form specified by the department,
34 submit to the department a notice of completed installation providing information on the
35 renewable energy equipment, as installed, including documentation of the qualified
36 expenditures eligible for the tax credit.

37 3. Upon completed installation of the qualified net-metering unit, the taxpayer shall
38 submit to the department such documentation as the department may require to verify that
39 expenditures have been made and installation is complete. Upon verification, the
40 department shall issue to the taxpayer and to the department of revenue a tax credit
41 certificate that specifies the maximum dollar amount of allowable tax credit.

42 4. Where renewable energy equipment is purchased and installed in a building
43 owned by two or more taxpayers, the amount of the credit allowable under this subsection
44 for each such taxpayer shall be prorated according to the percentage of the total
45 expenditure for such renewable energy equipment contributed by each taxpayer. The
46 maximum credit available to multiple owners shall not exceed the credit provided for in
47 subsection 2 of this section.

48 5. For purposes of determining the amount of the expenditure incurred in
49 purchasing and installing renewable energy equipment, the amount of any federal, state,
50 or local grant received by the taxpayer that was used for the purchase or installation of

51 such equipment shall be deducted from the expenditures.

52 **6. The department may approve tax credits for qualified net-metering units not to**
53 **exceed seven hundred and fifty thousand dollars in any tax year.**

54 **7. The amount of the tax credit claimed under this section shall not exceed the**
55 **amount of the taxpayer's state tax liability for the taxable year that the credit is claimed.**
56 **If the amount of the credit allowable under this section exceeds the taxpayer's tax for such**
57 **year, the excess amount may be carried over to the five taxable years following the taxable**
58 **year the credit is allowed and may be deducted from the taxpayer's tax for such year or**
59 **years.**

60 **8. The department shall determine, by rule, the process and forms to be used to**
61 **apply for and claim the tax credit provided for in this section. Any rule or portion of a**
62 **rule, as that term is defined in section 536.010, RSMo, that is created under the authority**
63 **delegated in this section shall become effective only if it complies with and is subject to all**
64 **of the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This**
65 **section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the**
66 **general assembly under chapter 536, RSMo, to review, to delay the effective date, or to**
67 **disapprove and annul a rule are subsequently held unconstitutional, then the grant of**
68 **rulemaking authority and any rule proposed or adopted after August 28, 2004, shall be**
69 **invalid and void.**

70 **9. Pursuant to section 23.253, RSMo, of the Missouri Sunset Act:**

71 **(1) The provisions of the new program authorized under this section shall**
72 **automatically sunset six years after the effective date of this section unless reauthorized by**
73 **an act of the general assembly; and**

74 **(2) If such program is reauthorized, the program authorized under this section**
75 **shall automatically sunset twelve years after the effective date of the reauthorization of this**
76 **section; and**

77 **(3) This section shall terminate on September first of the calendar year immediately**
78 **following the calendar year in which the program authorized under this section is sunset.**