REFERENCE TITLE: tax credit; energy efficient products

State of Arizona
House of Representatives
Forty-seventh Legislature
Second Regular Session
2006

HB 2843

Introduced by
Representatives Mason, O'Halleran, Senators Bee, Bennett, Blendu:
Representatives Boone, Bradley, Chase, Downing, Hershberger, Jones,
Prezelski, Quelland, Senators Flake, Hellon, Johnson

AN ACT

AMENDING SECTION 43-222, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2005, CHAPTER 12, SECTION 1, CHAPTER 264, SECTION 1, CHAPTER 316, SECTION 2 AND CHAPTER 317, SECTION 10; REPEALING SECTION 43-222, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2005, CHAPTER 292, SECTION 1; AMENDING TITLE 43, CHAPTER 10, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTION 43-1085; RELATING TO INDIVIDUAL INCOME TAX CREDITS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 43-222, Arizona Revised Statutes, as amended by Laws 2005, chapter 12, section 1, chapter 264, section 1, chapter 316, section 2 and chapter 317, section 10, is amended to read:

43-222. Income tax credit review schedule

Each year the joint legislative income tax credit review committee shall review the following income tax credits:

1. In 2005, sections 43-1087, 43-1088 and 43-1175.

2. In 2006, sections 43-1073, 43-1089, 43-1089.01, 43-1089.02, 43-1090, 43-1176 and 43-1181.

3. In 2007, sections 43-1077, 43-1078, 43-1079, 43-1080, 43-1165, 43-1166, 43-1167 and 43-1169.

4. In 2008, sections 43-1074.01, 43-1081, 43-1168, 43-1170 and 43-1178.

5. In 2009, sections 43-1076, 43-1081.01, 43-1083, 43-1084, 43-1162 and 43-1170.01.

6. In 2010, sections 43-1075, ~~and 43-1163.~~

~~7. In 2010, sections~~ 43-1079.01, ~~and~~ 43-1090.01, 43-1163, 43-1167.01 AND 43-1182.

~~8.~~ 7. In 2011, ~~section~~ SECTIONS 43-1074.02 AND 43-1085.

Sec. 2. Repeal

Section 43-222, Arizona Revised Statutes, as amended by Laws 2005, chapter 292, section 1, is repealed.

Sec. 3. Title 43, chapter 10, article 5, Arizona Revised Statutes, is amended by adding section 43-1085, to read:

43-1085. Credit for energy efficient products

A. FOR TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2006, A CREDIT IS ALLOWED AGAINST THE TAXES IMPOSED BY THIS TITLE FOR A TAXPAYER WHO PURCHASES ANY ENERGY EFFICIENT PRODUCT THAT IS DESCRIBED IN SUBSECTION B.

B. THE AMOUNT OF THE CREDIT IS:

1. ONE HUNDRED FIFTY DOLLARS FOR A CENTRAL AIR CONDITIONER OR AN AIR SOURCE HEAT PUMP THAT MEETS THE FEDERAL TAX CREDIT PERFORMANCE REQUIREMENTS.

2. ONE HUNDRED DOLLARS FOR A CLOTHES WASHER THAT IS CERTIFIED AS ENERGY STAR BY THE UNITED STATES DEPARTMENT OF ENERGY OR THE ENVIRONMENTAL PROTECTION AGENCY.

3. TWENTY-FIVE DOLLARS FOR A CEILING FAN THAT IS CERTIFIED AS ENERGY STAR BY THE UNITED STATES DEPARTMENT OF ENERGY OR THE ENVIRONMENTAL PROTECTION AGENCY.

C. TO BE ELIGIBLE FOR A TAX CREDIT UNDER THIS SECTION, THE TAXPAYER MUST BE A HOUSEHOLD CONSUMER OR A BUILDER OF RESIDENTIAL PROPERTY. A CREDIT IS NOT ALLOWED UNDER THIS SECTION FOR A TAXPAYER WHO IS A COMMERCIAL BUSINESS.

D. THE DEPARTMENT:

1. SHALL NOT ALLOW IN ANY CALENDAR YEAR TAX CREDITS UNDER THIS SECTION THAT EXCEED A COMBINED TOTAL OF SEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS.

2. SHALL ALLOW THE TAX CREDITS ON A FIRST COME, FIRST SERVED BASIS.
3. SHALL ADOPT RULES NECESSARY FOR THE ADMINISTRATION OF THIS SECTION.
E. CO-OWNERS OF A BUSINESS, INCLUDING PARTNERS IN A PARTNERSHIP AND SHAREHOLDERS OF AN S CORPORATION, AS DEFINED IN SECTION 1361 OF THE INTERNAL REVENUE CODE, MAY EACH CLAIM ONLY THE PRO RATA SHARE OF THE CREDIT ALLOWED UNDER THIS SECTION BASED ON THE OWNERSHIP INTEREST. THE TOTAL OF THE CREDITS ALLOWED ALL SUCH OWNERS MAY NOT EXCEED THE AMOUNT THAT WOULD HAVE BEEN ALLOWED A SOLE OWNER.
F. IF THE ALLOWABLE TAX CREDIT EXCEEDS THE TAXES OTHERWISE DUE UNDER THIS TITLE ON THE CLAIMANT'S INCOME, OR IF THERE ARE NO TAXES DUE UNDER THIS TITLE, THE AMOUNT OF THE CLAIM NOT USED TO OFFSET TAXES UNDER THIS TITLE MAY BE CARRIED FORWARD FOR NOT MORE THAN FIVE CONSECUTIVE TAXABLE YEARS AS A CREDIT AGAINST SUBSEQUENT YEARS' INCOME TAX LIABILITY.
G. A HUSBAND AND WIFE WHO FILE SEPARATE RETURNS FOR A TAXABLE YEAR IN WHICH THEY COULD HAVE FILED A JOINT RETURN MAY EACH CLAIM ONLY ONE-HALF OF THE TAX CREDIT THAT WOULD HAVE BEEN ALLOWED FOR A JOINT RETURN.
Sec. 4. Purpose
Pursuant to section 43-223, Arizona Revised Statutes, the legislature enacts section 43-1085, Arizona Revised Statutes, as added by this act, to encourage taxpayers in this state to purchase energy efficient products to help save energy and water in this state.