

HB 641 -- Alternative Energy Income Tax Deduction

Sponsor: Holsman

This bill authorizes an income tax deduction from a taxpayer's state adjusted gross income for individuals who use specified types of qualified fuel cell or solar energy to generate electricity for their residences or certain geothermal heat pumps to heat their homes. Beginning January 1, 2009, owners of certain types of fuel cell power plants used in connection with dwellings may claim a deduction for the lesser of 50% of the purchase price of the power plant or \$2,000, and the owner of a property that uses solar energy to generate power for a residence may claim a deduction for the lesser of 50% of the purchase price of the property or \$8,000. Owners of qualified geothermal heat pumps may claim a deduction for the lesser of 50% of the purchase price of the pump or \$2,000.

The provisions of the bill will expire December 31 six years from the effective date.