

FILED MAY 8 2001

SENATE FILE 546
BY HOLVECK

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to an energy efficiency improvement tax credit
2 for individual income tax purposes and including an effective
3 date and applicability provisions.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 546
WAYS & MEANS

1 Section 1. NEW SECTION. 422.11F ENERGY EFFICIENCY
2 IMPROVEMENT TAX CREDIT.

3 The taxes imposed under this division, less the credit
4 allowed under section 422.12 and other nonrefundable credits,
5 shall be reduced by an energy efficiency improvement tax
6 credit. The amount of the credit equals twenty-five percent
7 of the cost of weatherization measures to improve energy
8 efficiency of the taxpayer's residence related to winter
9 heating and summer cooling. The tax credit shall be taken in
10 the tax year in which the improvement is completed. In
11 computing the amount of the credit, costs incurred within one
12 year of the completion of the improvement may be used. The
13 taxpayer shall obtain certification from the local public
14 utility that the improvement did result in energy efficiency.
15 The utilities board in the utilities division of the
16 department of commerce shall adopt rules relating to the
17 certification process, notice of the credit, and certification
18 procedures. The taxpayer shall attach the certificate to the
19 taxpayer's individual income tax return.

20 Any credit in excess of the tax liability shall be
21 refunded. In lieu of claiming a refund, a taxpayer may elect
22 to have the overpayment shown on the taxpayer's final,
23 completed return credited to the tax liability for the
24 following tax year.

25 Sec. 2. EFFECTIVE AND APPLICABILITY DATES. This Act,
26 being deemed of immediate importance, takes effect upon
27 enactment and applies retroactively to January 1, 2001, for
28 tax years beginning on or after that date, and applies to
29 energy efficiency improvements completed after the effective
30 date.

31 EXPLANATION

32 This bill provides an individual income tax credit for
33 making energy efficiency improvements to the individual's
34 residence for weatherization measures related to winter
35 heating and summer cooling. The credit equals 25 percent of

1 the cost of the improvements. The credit is refundable. The
2 credit is taken in the year in which the improvement is
3 completed and costs incurred within one year of the completion
4 date may be used in computing the credit.

5 The bill takes effect upon enactment and applies
6 retroactively to January 1, 2001, for tax years beginning on
7 or after that date and applies to improvements completed after
8 the effective date.

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