



## 95TH GENERAL ASSEMBLY

### State of Illinois

2007 and 2008

HB4735

Introduced 2/1/2008, by Rep. Renée Kosel

#### SYNOPSIS AS INTRODUCED:

35 ILCS 5/218 new

Amends the Illinois Income Tax Act. Provides for a credit for taxpayers who, during the taxable year, install, on a building or property that is owned by the taxpayer and that is located in the State, a geothermal, solar, wind, or fuel cell energy device and sets the amount of the credit at the lesser of (i) \$1,500 or (ii) 20% of the actual cost of the acquisition and installation of the device. Provides that the credit may not be carried forward or back and may not reduce the taxpayer's liability to less than zero. Effective immediately.

LRB095 15246 BDD 41229 b

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Income Tax Act is amended by adding  
5 Section 218 as follows:

6 (35 ILCS 5/218 new)

7 Sec. 218. Credit for alternate energy devices.

8 (a) For taxable years ending on or after December 31, 2008  
9 through taxable years ending on or before December 30, 2013,  
10 each taxpayer who, during the taxable year, installs, on a  
11 building or property that is owned by the taxpayer and that is  
12 located in the State, a geothermal, solar, wind, or fuel cell  
13 energy device is entitled to a credit against the tax imposed  
14 under subsection (a) and (b) of Section 201 in an amount equal  
15 to the lesser of (i) \$1,500 or (ii) 20% of the actual cost of  
16 the acquisition and installation of the device.

17 (b) For the purposes of this Section:

18 "Geothermal energy device" means a system or mechanism or  
19 series of mechanisms designed to provide heating or cooling or  
20 to produce electrical or mechanical power, or any combination  
21 of these, by a method that extracts or converts the energy  
22 naturally occurring beneath the earth's surface in rock  
23 structures, water, or steam.

1       "Solar or wind energy device" means a system or mechanism  
2 or series of mechanisms designed to provide heating or cooling  
3 or to produce electrical or mechanical power, or any  
4 combination of these, or to store any of these by a method that  
5 converts the natural energy of the sun or the wind.

6       "Fuel cell energy device" means a system or mechanism or  
7 series of mechanisms designed to provide heating or cooling or  
8 to produce electrical or mechanical power, or any combination  
9 of these, that continuously changes the chemical energy of a  
10 fuel and an oxidant directly into electrical energy.

11       (c) If a geothermal, solar, wind, or fuel cell energy  
12 device is part of a system that uses other means of energy,  
13 then only that portion of the total system that is directly  
14 attributable to the cost of the geothermal, solar, wind, or  
15 fuel cell energy device may be included in determining the  
16 amount of the credit. The costs of installation may not include  
17 the costs of redesigning, remodeling, or otherwise altering the  
18 structure of a building in which a geothermal, solar, wind, or  
19 fuel cell energy device is installed.

20       (d) If the taxpayer is a partnership or Subchapter S  
21 corporation, the credit is allowed to the partners or  
22 shareholders in accordance with the determination of income and  
23 distributive share of income under Sections 702 and 704 and  
24 Subchapter S of the Internal Revenue Code.

25       (e) The credit may not be carried forward or back. In no  
26 event shall a credit under this Section reduce the taxpayer's

1 liability to less than zero.

2 Section 99. Effective date. This Act takes effect upon  
3 becoming law.