

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Create an Energy Conservation Measures Tax Credit

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 36 MRSA §5219-DD is enacted to read:

§ 5219-DD. Residence energy conservation measures credit

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Energy conservation measure" means an installation or modification of an installation in, or a remodeling of, an existing residence in order to reduce energy consumption and operating costs, including, but not limited to:

(1) Installation or modification of insulation in the residence structure and systems within the residence;

(2) Installation or modification of storm windows and doors, multiglazed windows and doors and heat-absorbing or heat-reflective glazed and coated window and door systems; installation of additional glazing; reductions in glass area; and other window and door system modifications that reduce energy consumption and operating costs;

(3) Installation or modification of automatic energy control systems;

(4) Replacement or modification of heating, ventilating or air conditioning systems;

(5) Application of caulking and weather stripping; and

(6) Replacement or modification of lighting fixtures to increase the energy efficiency of the lighting system without increasing the overall illumination of a residence unless the increase in illumination is necessary to conform to the applicable state or local building code for the proposed lighting system.

B. "Energy conservation measures costs" means the amount of money actually paid out of pocket by an individual to purchase and install energy conservation measures for that individual's residence.

C. "Qualifying individual" means an individual who occupies a residence in this State during the entire year for which a credit under this section is claimed and who incurs energy conservation measures costs for that individual's residence. Regardless of how many names of individuals appear on the property deed or lease, the person who meets the qualifications described in this section and proves sole responsibility for the payment of the energy conservation measures costs of the residence on the subject property is the qualified individual with respect to that property.

A lessee whose energy conservation measures costs are included in the rent is not a qualifying individual for purposes of this section.

D. "Residence" means the dwelling owned or rented by an individual or held in a revocable living trust for the benefit of the individual and occupied by the individual and the individual's dependents as a home and may consist of a part of a multidwelling or multipurpose building.

2. Credit allowed. For income tax years beginning on or after January 1, 2009, but before January 1, 2011, a qualifying individual is allowed a credit against the tax imposed by this Part of an amount not to exceed \$250 per tax year for the energy conservation measures costs for that individual's residence. If 2 or more individuals meet the qualifications in this subsection and share the payment of the energy conservation measures costs or the responsibility for the payment of the energy conservation measures costs, each qualifying individual may apply on the basis of the energy conservation measures costs paid for that residence that reflect the ownership percentage of the individual, except that in no case may the total credit exceed \$250 per residence.

3. Limitation; carry-over. The credit allowed under subsection 2 may not reduce the tax otherwise due under this Part below zero and the credit may not exceed \$250 or the actual energy conservation measures costs, whichever is less. Any unused portion of the credit may be carried over to the following year or years until exhausted.

Sec. 2. Application. This Act applies to tax years beginning on or after January 1, 2009.

SUMMARY

This bill provides a tax credit of up to \$250 annually, for tax years beginning on or after January 1, 2009 but before January 1, 2011, to a person who pays out-of-pocket costs to purchase and install energy conservation measures for a residence occupied by that person, such as insulation and caulking, energy-conserving windows and doors and automatic energy control systems.