

SENATE BILL NO. _____ HOUSE BILL NO. _____

A BILL to amend the Code of Virginia by adding in Article 3 of Chapter 3 of Title 58.1 a section numbered 58.1-339.13, relating to tax credits for geothermal heat pump property expenditures.

Date Introduced: _____

Committee Reference: _____

Chief Patron: _____

(Signature)

Summary

Geothermal heat pump property expenditure credit. Establishes a tax credit, for taxable years 2017 through 2021, for geothermal heat pump property expenditures at a residence in Virginia. The bill defines "geothermal heat pump property expenditure" as any expenditure for equipment that uses the ground or groundwater as a thermal energy source to heat a residence or as a thermal energy sink to cool a residence.

The credit would equal 25 percent of purchase or installation expenditures. An eligible individual taxpayer could claim a maximum of 50 percent of his tax liability or \$2,500, whichever is less, and carry over unused credit for up to 10 years. In addition, a taxpayer could claim only 25 percent of the total cost of geothermal heat pump property at a single residence, up to a maximum of \$10,000.

The bill authorizes the Department of Taxation to issue up to \$10 million in credits each fiscal year.

House Patrons

Adams _____
Aird _____
Albo _____
Anderson _____
Austin _____
Bagby _____
Bell, John _____
Bell, Richard _____
Bell, Robert _____
Bloxom _____
Boysko _____
Bulova _____
Byron _____
Campbell _____
Carr _____
Cline _____
Cole _____
Collins _____
Cox _____
Davis _____
Dudenhefer _____
Edmunds _____
Fariss _____
Farrell _____
Filler-Corn _____
Fowler _____
Freitas _____
Garrett _____
Gilbert _____
Greason _____
Habeb _____
Hayes _____
Head _____
Helsel _____

Heretick _____
Herring _____
Hester _____
Hodges _____
Hope _____
Howell _____
Hugo _____
Ingram _____
James _____
Jones _____
Keam _____
Kilgore _____
Knight _____
Kory _____
Krizek _____
Landes _____
LaRock _____
Leftwich _____
LeMunyon _____
Levine _____
Lindsey _____
Lingamfelter _____
Lopez _____
Loupassi _____
Marshall, D.W. _____
Marshall, R.G. _____
Massie _____
McClellan _____
McQuinn _____
Mason _____
Minchew _____
Miyares _____
Morefield _____
Morris _____

Mullen _____
Murphy _____
O'Bannon _____
O'Quinn _____
Orrock _____
Peace _____
Pillion _____
Plum _____
Pogge _____
Poindexter _____
Price _____
Ransone _____
Rasoul _____
Robinson _____
Rush _____
Sickles _____
Simon _____
Stolle _____
Sullivan _____
Taylor _____
Torian _____
Toscano _____
Tyler _____
Villanueva _____
Ward _____
Ware _____
Watts _____
Webert _____
Wilt _____
Wright _____
Yancey _____
Yost _____

Senate Patrons

Barker _____
Black _____
Carrico _____
Chafin _____
Chase _____
Cosgrove _____
Dance _____
Deeds _____
DeSteph _____
Dunnavant _____
Ebbin _____
Edwards _____
Favola _____
Garrett _____
Hanger _____
Howell _____
Lewis _____
Locke _____
Lucas _____
Marsden _____
Mason _____
McDougle _____
McEachin _____
McPike _____
Newman _____
Norment _____
Obenshain _____
Petersen _____
Reeves _____
Ruff _____
Saslaw _____
Spruill _____
Stanley _____
Stuart _____
Sturtevant _____
Suetterlein _____
Surovell _____
Vogel _____
Wagner _____
Wexton _____

SENATE BILL NO. _____ HOUSE BILL NO. _____

1 A BILL to amend the Code of Virginia by adding in Article 3 of Chapter 3 of Title 58.1 a section
2 numbered 58.1-339.13, relating to tax credits for geothermal heat pump property expenditures.

3 **Be it enacted by the General Assembly of Virginia:**

4 **1. That the Code of Virginia is amended by adding in Article 3 of Chapter 3 of Title 58.1 a section**
5 **numbered 58.1-339.13 as follows:**

6 **§ 58.1-339.13. Geothermal heat pump property expenditure tax credit.**

7 A. As used in this section, "geothermal heat pump property expenditure" means any expenditure
8 for equipment that uses the ground or groundwater as a thermal energy source to heat a residence or as a
9 thermal energy sink to cool a residence. "Geothermal heat pump property expenditure" includes
10 expenditures for labor costs related to the onsite preparation, assembly, or original installation of
11 geothermal heat pump property and expenditures for piping or wiring to interconnect such property to
12 the dwelling unit.

13 B. For taxable years beginning on or after January 1, 2017, but before January 1, 2022, any
14 person who makes a geothermal heat pump property expenditure shall be allowed a credit against the tax
15 imposed by § 58.1-320 in an amount equal to 25 percent of the expenditure.

16 C. This credit shall not be claimed unless the geothermal heat pump property (i) is installed on or
17 in connection with a residence located in Virginia and used as a residence by the taxpayer and (ii) meets
18 or exceeds the federal Energy Star efficiency requirements which are in effect at the time that the person
19 makes the expenditure.

20 D. The amount of the credit claimed by a taxpayer in a taxable year shall not exceed the lesser of
21 (i) 50 percent of the tax imposed under this chapter or (ii) \$2,500. Any credit not usable for the taxable
22 year for which the credit was first allowed to be claimed may be carried over for credit against the tax
23 imposed by § 58.1-320 in the next 10 succeeding taxable years or until the total amount of the credit has
24 been taken, whichever is sooner.

