

141.436 Tax credit for installation of energy efficiency products for residential and commercial property -- Administrative regulations -- Reports.

- (1) (a) For taxable periods beginning after December 31, 2008, and beginning before January 1, 2016, there is hereby created a nonrefundable credit against the tax imposed under KRS 141.020 or 141.040, and KRS 141.0401, with the ordering of credits as provided in KRS 141.0205. The credit shall apply if one (1) or more of the items listed in paragraph (b) of this subsection is installed during the taxable year in a dwelling unit located in the Commonwealth that is owned by the taxpayer and used by the taxpayer as:
 1. The taxpayer's principal place of residence; or
 2. A single-family or multifamily residential rental unit.
 - (b) The tax credit shall equal thirty percent (30%) of the installed costs of:
 1. Upgraded insulation, not to exceed one hundred dollars (\$100);
 2. Energy-efficient windows and storm doors, not to exceed two hundred fifty dollars (\$250); or
 3. Qualified energy property, not to exceed two hundred fifty dollars (\$250).
 - (c) In no case shall the total credits provided under this subsection exceed five hundred dollars (\$500) per taxpayer.
- (2) (a) For taxable years beginning after December 31, 2008, and beginning before January 1, 2016, there is hereby created a nonrefundable credit against the tax imposed under KRS 141.020 or 141.040, and KRS 141.0401, with the ordering of credits as provided in KRS 141.0205, if one (1) or more of the items listed in paragraph (b) of this subsection is installed during the taxable year on a dwelling unit located in the Commonwealth, or on property located in the Commonwealth that is owned and used by the taxpayer as commercial property.
 - (b) The tax credit shall equal:
 1. Thirty percent (30%) of the installed costs of:
 - a. An active solar space-heating system;
 - b. A passive solar space-heating system;
 - c. A combined active solar space-heating and water-heating system;
 - d. A solar water-heating system; and
 - e. A wind turbine or wind machine; or
 2. Three dollars (\$3) per watt direct current (DC) of rated capacity of a solar photovoltaic system.
 - (c) In no case shall the total tax credits provided in this subsection exceed:
 1. Five hundred dollars (\$500) per taxpayer if installed on a dwelling unit located in the Commonwealth that is owned by the taxpayer and used by the taxpayer as:
 - a. The taxpayer's principal place of residence; or

- b. A single-family residential rental unit; or
 2. One thousand dollars (\$1,000) per taxpayer if installed on property located in the Commonwealth that is owned and used by the taxpayer as:
 - a. A multifamily residential rental unit; or
 - b. Commercial property;
 - (3) (a) For taxable years beginning after December 31, 2008, and beginning before January 1, 2016, there is hereby created a nonrefundable credit against the tax imposed under KRS 141.020 or 141.040, and KRS 141.0401, with the ordering of credits as provided in KRS 141.0205, if one (1) or more of the following is installed during the taxable year on property located in the Commonwealth that is owned and used by the taxpayer as commercial property:
 1. An energy-efficient interior lighting system; and
 2. An energy-efficient heating, cooling, ventilation, or hot water system.
 - (b) The tax credit shall equal thirty percent (30%) of the installed costs of:
 1. An energy-efficient interior lighting system, not to exceed five hundred dollars (\$500) per taxpayer; and
 2. An energy-efficient heating, cooling, ventilation, or hot water system, not to exceed five hundred dollars (\$500) per taxpayer.
 - (c) In no case shall the total tax credits provided in this subsection exceed one thousand dollars (\$1,000) per taxpayer.
 - (d) For purposes of the tax credit provided by this subsection, "commercial property" shall not include single-family or multifamily residential units.
- (4) The tax credits provided under this section shall apply in the tax year in which the installation is completed. If the credit cannot be taken in full in the year in which the installation is completed, the tax credit may be carried forward one (1) year.
- (5) The department may request copies of invoices, purchase receipts, installation contracts, proof of installer's NABCEP certification, and any other information that the department determines necessary to verify credits taken.
- (6) If the taxpayer has taken the ENERGY STAR home or the ENERGY STAR manufactured home tax credit provided under KRS 141.437, the tax credits provided under this section shall not apply.
- (7) The department shall establish, by administrative regulation, the guidelines and technical requirements for items that are eligible for the tax credits provided under subsection (2) of this section, including but not limited to requirements for capacity, siting, plumbing, collector mountings, and pressurization. The department shall enlist the assistance, cooperation, and recommendations of the Office of Energy Policy and the Kentucky Pollution Prevention Center at the University of Louisville in determining those guidelines and technical requirements and may enlist their assistance in evaluating the eligibility of credits taken under this section.
- (8) On or before December 1, 2010, and on or before every December 1 thereafter, the department shall report to the Legislative Research Commission the total number

and gross amount of each type of tax credit claimed on returns processed during the fiscal year ending prior to the December reporting date.

Effective: July 14, 2018

History: Amended 2018 Ky. Acts ch. 29, sec. 7, effective July 14, 2018. -- Repealed and reenacted 2010 Ky. Acts ch. 5, sec. 12, effective February 25, 2010; and amended ch. 24, sec. 114, effective July 15, 2010. -- Created 2008 Ky. Acts ch. 139, sec. 12, effective July 15, 2008.

Legislative Research Commission Note (2/25/2010). 2010 Ky. Acts ch. 5, sec. 28, provides that the repeal and reenactment of this section in that Act "shall apply retroactively to July 15, 2008."

Legislative Research Commission Note (7/15/2008). 2008 Ky. Acts ch. 139, sec. 26, provides that this section "shall apply to taxable periods beginning after December 31, 2008."