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This bill allows a tax credit for mechanical insulation improvements (e.g., insulating mechanical pipes and equipment and HVAC systems) that exceed the American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) standard 90.1-2007. The credit is nonrefundable and applies both to the corporate franchise and individual income taxes. A five year carryover is allowed, if the credit exceeds the regular tax liability.

Credit computation. The credit equals the percentage reduction in energy loss that results from installation of the insulation (compared to ASHRAE standard 90.1-2007, but not to exceed 30 percent) multiplied by the cost of purchasing and installing the insulation.

Effective date: Tax year 2018 for insulation installed after July 1, 2018.