

HOUSE RESEARCH

Bill Summary

File Number: H.F. 1923
Version: As introduced

Date: March 10, 2017

Authors: Wagenius

Subject: Tax credit for solar energy systems

Analyst: Bob Eleff

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd/.

H.F. 1923 allows a tax credit against the individual income and corporate franchise tax to homeowners and businesses who install solar electric, solar thermal, or solar hot water devices on their property. Eligibility for the credit is restricted to customers who receive electric service from an electric cooperative association whose net metering program is regulated by the Minnesota Public Utilities Commission, and solar energy systems installed can be no larger than 40 kW. The credit equals 50 percent of the federal tax credits allowed for these expenditures, resulting in a state credit of 15 percent for systems installed between 2017 and 2019, 13 percent for those installed in 2020, and 11 percent for those installed in 2021 or 2022. The maximum credit allowed is \$5,000 for systems placed in a residence and \$20,000 for those placed on business property. A ten-year carryover is permitted. Aggregate credits in any one year are limited to \$5 million, half of which is reserved for residential solar systems.