

PRELIMINARY STAFF MEASURE SUMMARY

House Committee On Revenue

Fiscal: Fiscal impact issued
Revenue: Revenue impact issued

Action Date:

Action:

Meeting Dates: 05/11

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WHAT THE MEASURE DOES:

Modifies the Residential Energy Tax Credit (RETC) for solar water heating. For domestic water heating the tax credit is the lesser of 50 percent of the device cost or \$2 per kilowatt hour for the first year energy yield, up to \$6,000. For swimming pool heating the tax credit is the lesser of 50 percent of the device cost or \$0.20 per kilowatt hour for the first year energy yield, up to \$2,500. Limits the tax credits claimed in any one tax year per taxpayer to \$1,500 and allows a five-year carryforward. Applies to certifications granted on or after September 1, 2015 and beginning with tax year 2015. Grants rule-making authority to the Department of Energy to reduce the incentives as market conditions warrant.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

The Oregon Residential Energy Tax Credit (RETC) was created in 1977, creating a financial incentive for investments in a variety of energy efficiency devices. Collectively, they are separated into category one and category two devices. Category one devices include systems that use solar energy for space heating or water heating; ground source heat pumps or geothermal systems; a wind-powered device used to offset or supplement electricity; equipment used in the production of alternative fuels; generators powered by alternative fuels and used to produce electricity; an energy-efficient appliance; and premium efficiency wood or pellet stoves. Category two devices include solar electric, wind electric, and fuel cell systems.