

HB 3747 STAFF MEASURE SUMMARY

House Committee On Climate, Energy, and Environment

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Sub-Referral To: House Committee On Revenue

Meeting Dates: 3/20, 4/3

WHAT THE MEASURE DOES:

The measure establishes a refundable income tax credit for the purchase of battery energy storage systems and solar photovoltaic electric systems for tax years beginning on or after January 1, 2026, and before January 1, 2032.

Detailed summary:

Defines terms. Establishes a refundable income tax credit for the purchase of battery energy storage systems and solar photovoltaic electric systems for tax years beginning on or after January 1, 2026, and before January 1, 2032. Specifies maximum tax credits allowed in a tax year. Takes effect on the 91st day following adjournment sine die.

- *FISCAL: Fiscal impact statement issued*
- *REVENUE: Revenue impact statement issued*

ISSUES DISCUSSED:

- Provisions of measure
- Need for consistent tax credits

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Common solar technologies include daylighting, passive solar space heating, solar water heating, and solar electric or photovoltaic (PV) systems. Photovoltaic systems generate electricity, which is typically fed to the grid via an electric service panel. Battery energy storage systems (BESSs) are composed of individual battery cells that are housed together in a module and enclosed in a structure. They store energy from sources such as wind and solar and provide backup power when those intermittent sources are not available. Stored power can also be strategically deployed from BESSs when generating capacity from renewable energy is limited or the cost to generate it is high. BESSs can be located at power generation sources, along transmission lines, or closer to where electricity is distributed, such as in residential settings.