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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

EIGHTY-FIFTH  
SESSION

**HOUSE FILE No. 4115**

March 25, 2008

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The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act  
1.2 relating to taxation; allowing a credit for certain energy conservation  
1.3 improvements and alternative energy investments; amending Minnesota Statutes  
1.4 2006, section 290.06, by adding a subdivision.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2006, section 290.06, is amended by adding a  
1.7 subdivision to read:

1.8 Subd. 34. **Residential and alternative energy credit.** (a) An individual is allowed  
1.9 a credit against the tax imposed under this chapter equal to the sum of the federal credits  
1.10 under sections 25C and 25D of the Internal Revenue Code, as amended through December  
1.11 31, 2007, for expenditures made during the taxable year. The credit under this subdivision  
1.12 applies and is in effect without regard to whether the credit allowed under sections 25C or  
1.13 25D of the Internal Revenue Code applies or is in effect for the taxable year.

1.14 (b) The lifetime limitation on the maximum amount of the credit under section  
1.15 25C(b)(1) applies to each taxable year in calculating the credit under this section.

1.16 (c) The credit under this subdivision is limited to the liability for tax under this  
1.17 section and section 290.091 for the taxable year.

1.18 (d) If the credit under this subdivision for the taxable year exceeds the limitation  
1.19 under paragraph (c), the excess is a carryover to each of the five succeeding taxable years.  
1.20 The entire amount of the excess unused credit for the taxable year must be carried first  
1.21 to the earliest of the taxable years to which the credit may be carried and then to each  
1.22 successive year to which the credit may be carried. The amount of the unused credit which  
1.23 may be added under this clause must not exceed the taxpayer's liability for tax less the  
1.24 credit under this subdivision for the taxable year.

- 2.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
- 2.2 December 31, 2007.