

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

*Codification
District of
Columbia
Official Code*

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To amend Chapter 18 of Title 47 of the District of Columbia Official Code to authorize an income tax credit for homeowners and tenants who purchase or install energy conservation devices for their residences and for new home construction.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Residential Energy Conservation Tax Credit Act of 2006”.

Sec. 2. Chapter 18 of Title 47 of the District of Columbia Official Code is amended as follows:

(a) The table of contents for Chapter 18 is amended by a new section designation “§ 47-1806.11. Tax on residents and nonresidents – Credits - energy conservation credit.” after the section designation “§ 47-1806.10. Income averaging–employment discrimination.”.

(b) Chapter 18 is amended by adding a new section 47-1806.11 to read as follows:

“§ 47-1806.11. Tax on residents and nonresidents – Credits – energy conservation credit.

“(a) For the purposes of this section, the term:

“(1) “Energy conservation expenses” means the cost for the purchase and installation of a device in a taxpayer’s residence intended to reduce energy consumption or the cost of the purchase and installation of an alternative energy source, which device or source has been certified by the United States Department of Energy as meeting or exceeding the established energy efficiency standards.

“(2) “High energy efficient” means a device or material in a taxpayer’s residence that meets or exceeds the applicable energy savings requirements developed by the U.S. Environmental Protection Agency and the U.S. Department of Energy for the ENERGY STAR program.

“(3) “Major home appliance” means a refrigerator, stove, clothes washer, dryer, clothes washer/dryer, dishwasher, microwave, freezer, room air conditioner, humidifier, refrigerator, or ventilating fan.

“(b)(1) A taxpayer shall be allowed a credit against the tax imposed by § 47-1806.03 in the following amounts:

“(A) Twenty-five percent of the taxpayer’s energy conservation expenses

New
§ 47-1806.11

for double pane thermal storm windows, insulation for exterior and interior doors of a residence, and the caulking and weather-stripping of any windows and doors;

“(B) Twenty percent of the taxpayer’s energy conservation expenses for the purchase and installation of high energy efficient water, heating, or cooling system, or insulation for existing hot water heaters, or insulation of existing duct work, or piping in non-heated areas;

“(C) Twenty percent of the taxpayer’s energy conservation expenses for the purchase and installation of insulation for floors, walls, and ceilings;

“(D) Twenty percent of the taxpayer’s energy conservation expenses for the purchase and installation of high energy efficient major home appliances or for ceiling fans;

“(E) Fifteen percent of the taxpayer’s energy conservation expenses for the replacement of energy inefficient lighting fixtures with permanent high energy efficient light fixtures; and

“(F) Ten percent of the taxpayer’s energy conservation expenses for the purchase and installation of any programmable or set-back thermostat or lighting switch

“(2) The annual credit claimed under this subsection shall not exceed \$500. Any unused credit may be carried over, subject to the \$500 annual limit, for 4 years tax years.”.

“(c) A taxpayer who purchases a new residence shall be allowed a credit against the tax imposed by § 47-1806.03, not to exceed \$2,000, equal to 5% of the purchase price of the residence if the residence is certified by an agency or organization approved by the Office of Tax and Revenue to be 50% or more energy efficient than the 1995 model energy code at closing.”.

Sec. 3. Section 2 shall apply as of January 1, 2006.

Note,
§ 47-1806.11

Sec. 4. Inclusion in the budget and financial plan.

This act shall take effect subject to the inclusion of its fiscal effect in an approved budget and financial plan.

Sec. 5. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

Sec. 6. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24,

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1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.

Chairman
Council of the District of Columbia

Mayor
District of Columbia