

# HOUSE BILL No. 1934

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-3-2-20.

**Synopsis:** Tax deduction for energy efficient items. Establishes an income tax deduction for a taxpayer who purchases for personal use certain energy efficient electrical appliances, heating and cooling products, or fuel cells. Makes the amount of the deduction the lesser of: (1) the cost of the purchase, delivery, and installation of one or more specified items; or (2) \$1,000. Establishes requirements for claiming the deduction.

**Effective:** January 1, 2003 (retroactive).

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**Ayres, Aguilera, Ruppel**

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January 23, 2003, read first time and referred to Committee on Ways and Means.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

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## HOUSE BILL No. 1934



A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 6-3-2-20 IS ADDED TO THE INDIANA CODE
- 2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
- 3 JANUARY 1, 2003 (RETROACTIVE)]: **Sec. 20. (a) As used in this**
- 4 **section, "taxpayer" includes an individual filing an individual**
- 5 **return or a husband and wife filing a joint return.**
- 6 **(b) A taxpayer is entitled to a deduction from the taxpayer's**
- 7 **adjusted gross income for a particular taxable year if, during that**
- 8 **taxable year, the taxpayer purchases for use in the taxpayer's**
- 9 **residence any of following:**
- 10 **(1) Any of the following electrical appliances or heating and**
- 11 **cooling products that meet or exceed the applicable Energy**
- 12 **Star efficiency standards developed by the United States**
- 13 **Environmental Protection Agency and the United States**
- 14 **Department of Energy:**
- 15 **(A) Clothes washer.**
- 16 **(B) Refrigerator.**
- 17 **(C) Dishwasher.**



- 1           **(D) Room air conditioner.**  
 2           **(E) Dehumidifier.**  
 3           **(F) Boiler.**  
 4           **(G) Central air conditioner.**  
 5           **(H) Electric air source heat pump.**  
 6           **(I) Furnace.**  
 7           **(J) Geothermal heat pump.**  
 8           **(K) Programmable thermostat.**  
 9           **(2) A natural gas heat pump that has a coefficient of**  
 10           **performance of at least 1.25 for heating and at least 0.70 for**  
 11           **cooling.**  
 12           **(3) An electric heat pump that has a heating season**  
 13           **performance factor of at least 7.5 and a cooling seasonal**  
 14           **energy efficiency ratio of at least 13.5.**  
 15           **(4) An electric heat pump hot water heater that has an energy**  
 16           **factor of at least 1.7.**  
 17           **(5) An advanced natural gas water heater that has an energy**  
 18           **factor of at least 0.65.**  
 19           **(6) A central air conditioner that has a cooling seasonal**  
 20           **energy efficiency ratio of at least 13.5.**  
 21           **(7) A fuel cell that:**  
 22               **(A) generates electricity and heat by using an**  
 23               **electrochemical process;**  
 24               **(B) has an electricity only generation efficiency greater**  
 25               **than thirty-five percent (35%); and**  
 26               **(C) has a generating capacity of at least two (2) kilowatts.**  
 27           **(c) The amount of the deduction allowed under this section in a**  
 28           **particular taxable year is the lesser of:**  
 29               **(1) the total amount the taxpayer pays for:**  
 30                   **(A) one (1) or more items described in subsection (b); and**  
 31                   **(B) the delivery and installation of one (1) or more items**  
 32                   **described in subsection (b); or**  
 33               **(2) one thousand dollars (\$1,000).**  
 34           **(d) To obtain a deduction under this section, a taxpayer must**  
 35           **claim the deduction on the taxpayer's annual state tax return or**  
 36           **returns in the manner prescribed by the department. The taxpayer**  
 37           **must submit to the department proof of the taxpayer's cost for the**  
 38           **purchase, delivery, and installation of all items used by the**  
 39           **taxpayer to claim a deduction under this section.**  
 40           **SECTION 2. [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]**  
 41           **IC 6-3-2-20, as added by this act, applies only to taxable years**  
 42           **beginning after December 31, 2002.**

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1        **SECTION 3. An emergency is declared for this act.**

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