

Amend CSSB 546 by inserting the following appropriately numbered SECTION to read as follows and renumbering subsequent SECTIONS accordingly:

SECTION _____. (a) Subchapter H, Chapter 151, Tax Code, is amended by adding Section 151.3334 to read as follows:

Sec. 151.3334. RENEWABLE ENERGY DEVICES. (a) In this section:

(1) "Renewable energy" means an energy source that is naturally regenerated over a short time scale and derived directly or indirectly from the sun or from other natural movements and mechanisms of the environment. The term:

(A) includes energy derived directly from:

(i) the sun, wind, water, waves, or tides;

(ii) geothermal forces; or

(iii) biomass and biomass-derived waste products, including landfill gas; and

(B) does not include energy derived from:

(i) fossil fuels and waste products from fossil fuels; or

(ii) waste products from inorganic sources.

(2) "Renewable energy device" means that portion of a system or series of mechanisms that is designed primarily to provide heating or cooling, to provide liquid or gaseous fuels, or to produce electrical or mechanical power by means of collecting, transferring, or converting renewable energy. The term includes a mechanical or chemical device that has the capacity for storing renewable energy for use in heating or cooling, in the production of power, or as liquid or gaseous fuels. The term does not include air-source heat pump systems.

(3) "Retail customer" has the meaning assigned by Section 31.002, Utilities Code.

(b) The sale, use, or installation of a renewable energy device that is installed on a retail customer's side of the meter is exempted from the taxes imposed by this chapter.

(c) This section expires September 2, 2017.

(b) The change in law made by this section does not affect tax liability accruing before the effective date of this Act. That

liability continues in effect as if this section had not been enacted, and the former law is continued in effect for the collection of taxes due and for civil and criminal enforcement of the liability for those taxes.