

By: Ortiz, Jr.

H.B. No. 1823

A BILL TO BE ENTITLED

AN ACT

relating to an exemption from sales and use taxation of certain energy conservation-related property.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. 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

1 to produce electrical or mechanical power by means of collecting,
2 transferring, or converting renewable energy. The term includes a
3 mechanical or chemical device that has the capacity for storing
4 renewable energy for use in heating or cooling, in the production of
5 power, or as liquid or gaseous fuels. The term does not include
6 air-source heat pump systems.

7 (b) The sale or use of a renewable energy device, including
8 the system's component parts and any repair or replacement parts,
9 is exempt from the taxes imposed by this chapter.

10 (c) This section expires September 2, 2017.

11 SECTION 2. The change in law made by this Act does not
12 affect tax liability accruing before the effective date of this
13 Act. That liability continues in effect as if this Act had not been
14 enacted, and the former law is continued in effect for the
15 collection of taxes due and for civil and criminal enforcement of
16 the liability for those taxes.

17 SECTION 3. This Act takes effect July 1, 2009, if it
18 receives a vote of two-thirds of all members elected to each house,
19 as provided by Section 39, Article III, Texas Constitution. If this
20 Act does not receive the vote necessary for effect on that date,
21 this Act takes effect September 1, 2009.