SENATE
STATE OF MINNESOTA
NINETIETH SESSION

S.F. No. 1601

1.1   A bill for an act

1.2   relating to taxation; income; establishing a temporary refundable energy credit for
1.3   retrofitting commercial property for motion-sensing technology; requiring a report;
1.4   appropriating money.

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

1.6   Section 1. **CREDIT FOR RETROFITTING MOTION-SENSING TECHNOLOGY.**

1.7   Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have

1.8   the meanings given them.

1.9   (b) "Retrofit" means installation of new technology in a building for the purpose of

1.10   improving the energy efficiency of the building.

1.11   (c) "Motion-sensing technology" means technology that is designed to detect motion

1.12   and is intended to improve energy efficiency for a building by activating lighting only when

1.13   the area surrounding the installed technology is occupied.

1.14   (d) "Commercial property" means property classified under Minnesota Statutes, section

1.15   273.13, subdivision 24.

1.16   (e) "Qualified taxpayer" means the owner of commercial property that has received

1.17   certification under subdivision 3.

1.18   (f) "Eligible expenses" means the amount paid by the qualified taxpayer for retrofitting

1.19   with motion-sensor technology in the taxable year.

1.20   Subd. 2. **Credit allowed.** (a) A qualified taxpayer is allowed a credit against the tax

1.21   imposed under Minnesota Statutes, chapter 290, equal to the lesser of 25 percent of eligible

1.22   expenses or $10,000.

2.1   (b) For a nonresident or part-year resident, the credit under this subdivision must be

2.2   allocated based on the percentage calculated under Minnesota Statutes, section 290.06,

2.3   subdivision 2c, paragraph (e).

2.4   Subd. 3. **Certification requirement; manner of claiming.** (a) To be eligible for the

2.5   credit under this section, a commercial property owner must apply to the commissioner of

2.6   commerce for certification that the commercial property has been retrofitted with

2.7   motion-sensing technology, as those terms are defined in subdivision 1. The application

2.8   must be in a form and manner prescribed by the commissioner of commerce in consultation

2.9   with the commissioner of revenue.

2.10   (b) Upon determination that the commercial property has been retrofitted with

2.11   motion-sensing technology, the commissioner of commerce must issue a certificate to the

2.12   commercial property owner designated in the application. The certificate must state the

2.13   amount of eligible expenses.

2.14   (c) The commissioner of revenue shall prescribe the manner in which the credit is claimed.

2.15   Subd. 4. **Credit refundable.** (a) If the amount of the credit for which a qualified taxpayer

2.16   is eligible exceeds the taxpayer's liability for tax under this chapter, the commissioner of

2.17   revenue shall refund the excess to the individual.

2.18   (b) The amount necessary to pay the refunds required by this section is appropriated to

2.19   the commissioner of revenue from the general fund up to a maximum of $250,000.

2.20   Subd. 5. **Report.** By March 1, 2020, the commissioner of revenue, in compliance with

2.21   Minnesota Statutes, sections 3.195 and 3.197, shall provide a report to the chairs and ranking

2.22   minority members of the committees of the house of representatives and senate with

2.23   jurisdiction over taxes and energy on:

2.24   (1) the number of taxpayers claiming the credit under this section and the average amount

2.25   of credits claimed;

2.26   (2) the size and location of the commercial property in which the motion-sensing

2.27   technology was retrofitted;

2.28   (3) the amount of energy saved during the taxable years the credit was in effect; and

2.29   (4) the administration of the credit, including recommendations.

2.30   **EFFECTIVE DATE.** This section is effective for taxable years beginning after December

2.31   31, 2016, and before January 1, 2019.