

## **AriSEIA Legislative News**

Yesterday (6-19-06), the Arizona Senate passed HB2429 by a vote of 23 to 4. The bill suffered another cut in the cap of the commercial tax credit when the Governor's Office insisted on another cap reduction of \$500,000. They claimed that this was to cover the cost of the transaction privilege tax exemption in the bill.

The bill was transmitted to the House of Representatives and today was approved by House by a 41 to 11 margin and is on the way to the Governor for signature.

After all is said and done, the bill contains the following measures:

- A commercial tax credit of 10% with a 25,000 maximum per system and \$50,000 per company annually. The credit is capped at \$1 million.
- A full sales tax exemption for solar energy systems.
- A full property tax exemption for property owners installing solar energy systems.

While the elimination of the residential tax credit portion of the bill was disappointing and the fact that the cap on the commercial tax credit was whittled down to nearly nothing, we still have made significant progress. Two barriers have been removed that prevented solar energy systems from being installed and the framework of a commercial tax credit is on the books that can be improved in the next session of the Legislature.

Thanks to everyone for all of the calls, emails and letters that have been sent in favor of the bill. Your calls made a difference with a couple of legislators in particular. If you have any questions, feel free to contact me. Thank you again for all your support.

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