

Renewable Energy Systems Tax Credit

Eligibility and Configuration Requirements

TITLE 44

Taxation

CHAPTER 44-57

Residential Renewable Energy System Tax Credit SECTION 44-57-4

§ 44-57-4 Eligible devices. - (a) To earn a tax credit pursuant to the provisions of this chapter, the renewable energy system shall be either a photovoltaic system, a solar domestic hot water system, an active solar space heating system, a geothermal system or a wind-generating system:

(1) For photovoltaic systems, the system must be able to generate electricity directly from sunlight and be able to have it provide electricity for the home. These systems can either be "stand alone" systems that use batteries for storage of electricity or "grid interconnected" systems that allow the electric meter to spin backwards during periods where the photovoltaic system is generating more electricity than the load of the house. These systems must have an electrical permit that has had a final inspection done by the electrical inspector for the city or town of the installation.

(2) For solar domestic hot water systems, the system must consist of solar collectors, pump, heat exchanger, and storage tank designed to heat water. These systems must have a plumbing permit that has had a final inspection done by the plumbing inspector for the city or town of the installation.

(3) For solar space heating systems, the system must consist of solar collectors, pump, heat exchanger, storage tank(s), and a method of distributing the heat to areas of the house that need heat. These systems must have a mechanical or plumbing permit and a final inspection done by the mechanical or plumbing inspector for the city or town of the installation.

(4) For wind energy systems, the energy produced by wind generation can be used directly, as in water pumping applications, or it can be stored in batteries for household usage. Wind generators can be used alone, or they can be used as part of a hybrid system, in which their output is combined with photovoltaics, and/or a fossil fuel generator, and shall:

(i) Be a system that is built, installed, and operated in accord with the manufacturer's specifications;

(ii) Be a system with manufacturers' warranties against defects in products and materials;

(iii) Be a system that complies with general and specific standards set forth in this chapter as they apply to renewable energy systems. These shall include:

(A) A photovoltaic system;

(B) A solar domestic hot water system;

(C) An active solar space heating system;

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(D) A wind energy system; and

(E) A geothermal system.

(5) For geothermal systems, the system shall use conventional vapor compression heat pumps to extract low-grade solar energy from the earth. The system shall be used to heat buildings, cool buildings and/or provide hot water. The system shall include all geothermal energy collectors, pumps, including both water to water and water to air type pumps, heat exchangers, storage tanks and heat distribution equipment. Such systems shall have a mechanical permit that has had a final inspection done by the mechanical/plumbing inspector for the city or town of the installation.

(6) Notwithstanding any other provisions of the general laws, for purposes of local municipal property tax assessment, qualifying renewable energy systems shall not be assessed at more than the value of a conventional heating, conventional hot domestic hot water systems, or energy production capacity that otherwise could be necessary to install in the building. Qualifying systems shall include photovoltaic systems (renewable energy systems), solar domestic hot water systems, and active solar space heating systems.

(b) The following systems and/or devices shall not be used to qualify for a solar tax credit:

(1) A passive solar space heating system;

(2) Passive solar hot water system;

(3) A sunspace or solar greenhouse;

(4) Photovoltaic systems installed on boats or recreational vehicles;

(5) Solar pool collectors;

(6) Existing renewable energy systems;

(7) Used equipment;

(8) Repairs and replacements of existing renewable energy systems; and

(9) Wind systems installed on boats or installed vehicles.