



## **H.B. 158**

127th General Assembly  
(As Introduced)

**Reps. Hughes and Latta, R. Hagan, Huffman, Miller, J. McGregor, Collier, Ujvagi, Setzer, Sayre, Flowers, Uecker, Bacon, Seitz, Raussen, Stebelton, Domenick, Yuko, Adams, Healy**

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### **BILL SUMMARY**

- Authorizes a nonrefundable personal income tax credit for purchase and the installation of energy efficient household devices such as washers, dryers, ranges, refrigerators, water heaters, furnaces, or air conditioners, among other items, excluding entertainment devices.
- The amount of the credit depends on the cost of the device, and may be up to \$1,000 for devices costing \$10,000 or more.

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### **CONTENT AND OPERATION**

#### **Income tax credit for purchasing energy saving devices**

(R.C. 5747.08, 5747.72, and 5747.98; Section 3)

The bill grants a credit against the personal income tax for energy saving devices purchased and installed in a taxpayer's home.

The credit is available for devices purchased and installed in taxable years beginning in 2007 or thereafter.<sup>1</sup>

#### **"Energy saving device"**

For the purposes of the tax credit, an energy saving device is any of the following devices, as long as the device carries the "energy star" label indicating

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<sup>1</sup> Section 3 of the bill incorrectly references taxable years beginning on or after January 1, 2006. A technical amendment will be prepared.

the device meets efficiency criteria set by the U.S. Environmental Protection Agency and Department of Energy:

- Washers and dryers
- Ranges
- Refrigerators and freezers
- Dishwashers
- Trash compactors
- Furnaces and air conditioners
- Water heaters
- Other products used for regulating air or water temperature, for cooking, or for sanitary or other household purposes
- Exterior windows and doors

"Energy saving device" does not include televisions or other appliances used primarily for entertainment.

**Amount of credit**

The amount of the credit depends on the cost of the device (including installation costs, if any), as shown in the following table; the credit may not exceed the actual cost of the device and installation.

<b>Cost</b>	<b>Credit amount</b>
Under \$2,500	\$100
\$2,500 to \$4999.99	\$250
\$5,000 to \$9,999.99	\$500
\$10,000 or more	\$1,000

The bill appears to require the taxpayer to add the purchase and installation costs of all devices purchased during the taxpayer's taxable year to arrive at a single sum before determining the amount of the credit. Thus, a taxpayer could not purchase

ten \$100 items and claim a credit of \$1,000 for each device; the credit would be limited to \$100.

If spouses file separate returns, they both may claim the credit as long as the total amount of credit claimed by both of them does not exceed the maximum amount of credit allowed for the device.

The credit is nonrefundable, meaning that if it exceeds the taxpayer's net tax liability, the excess amount is not refunded to the taxpayer.

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## **HISTORY**

ACTION	DATE
Introduced	04-17-07

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