SENATE, No. 209

STATE OF NEW JERSEY

221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:
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SYNOPSIS

Provides CBT tax credit for retrofit of existing warehouses with solar-ready zone once solar panels are installed.

CURRENT VERSION OF TEXT

As reported by the Senate Environment and Energy Committee with technical review.

AN ACT providing a tax credit under the corporation business tax for the retrofit of existing warehouses with solar-ready zones and supplementing P.L.1945, c.162 (C.54:10A-1 et seq.).

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. a. (1) A taxpayer that retrofits an existing warehouse with a solar-ready zone, shall be allowed a credit against the tax imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), to be calculated as provided in paragraph (2) of this subsection, to compensate the taxpayer for the costs incurred as a result of retrofitting an existing warehouse with a solar ready-zone, provided that the taxpayer installs solar panels on the warehouse.

(2) The amount of the credit authorized shall not exceed the lesser of: (a) fifty percent of the cost incurred to retrofit an existing warehouse with a solar-ready zone, or (b) $250,000. A taxpayer may claim the credit authorized pursuant to this section for the cost of retrofitting an existing warehouse with a solar-ready zone for up to eight existing warehouses owned or operated by the same taxpayer in a single privilege period.

b. A taxpayer that retrofits an existing warehouse with a solar-ready zone shall demonstrate to the director that solar panels have been installed on the warehouse prior to receiving the tax credit provided in this section.

c. The director shall prescribe the order of priority of the application of the tax credit allowed pursuant to this section, and any other credits allowed against the tax imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) for a privilege period. The amount of the credit applied pursuant to this section against the tax imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) shall not reduce a taxpayer's tax liability to an amount less than the statutory minimum provided in subsection (e) of section 5 of P.L.1945, c.162 (C.54:10A-5). The amount of the tax credit otherwise allowable under this section which cannot be applied for the privilege period due to the limitations of this subsection or under other provisions of P.L.1945, c.162 (C.54:10A-1 et seq.) may be carried forward, if necessary, to the seven privilege periods following the privilege period for which the tax credit was allowed.

d. The value of the tax credits provided pursuant to this section by the director shall not exceed a cumulative total of $25 million.

e. The director shall certify a taxpayer that retrofits an existing warehouse with a solar-ready zone as eligible to receive the tax credit provided in this section if:

(1) the warehouse meets the size criteria required pursuant to subsection g. of this section;

(2) the warehouse has been retrofitted with a solar-ready zone as defined in subsection g. of this subsection; and

(3) solar panels have been installed on the warehouse's solar-ready zone.

f. The director, in consultation with the Department of Community Affairs, shall adopt, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations as are necessary to implement the provisions of this section. The director may require the submission of any information the director deems necessary to award a tax credit pursuant to this section.

g. As used in this section:

"Retrofit" means a change in design, construction, or equipment already in operation in order to incorporate later improvements.

"Solar panel" means an elevated panel or plate, or a canopy or array thereof, that captures and converts solar radiation to produce power, and includes flat plate, focusing solar collectors, or photovoltaic solar cells and includes the base or foundation of the panel, plate, canopy, or array.

"Solar-ready zone" means a section of a roof or building overhang designated and reserved for the future installation of a solar photovoltaic or solar thermal system, which is at least 40 percent of the roof area calculated as the horizontally projected areas minus the area covered by skylights, occupied roof decks, vegetative roof areas, and mandatory access or set back areas required by the State Uniform Construction Code, or as otherwise provided in the 2018 International Energy Conservation Code, Appendix CA, and any successor model code, concerning solar-ready zones.

"Warehouse" means any building, room, structure, or facility of at least 100,000 square feet used primarily for the storage of goods intended for sale.

2. This act shall take effect immediately.