

SENATE BILL 3335

By Ketron

AN ACT to amend Tennessee Code Annotated, Title 67,  
Chapter 6, Part 3, relative to tax refund for  
geothermal system installations.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 6, Part 3, is amended by adding the following as a new, appropriately designated section:

67-6-3\_\_.

(a) As used in this section, unless the context otherwise requires:

(1) "Claimant" means any person or entity purchasing geothermal supplies for the installation of a geothermal pump system in a residence or commercial building in this state;

(2) "Geothermal pump system" means a system that uses the earth's ground or groundwater as a renewable energy source, just below the surface, to heat or cool a building, or to help provide hot or cold water to a building.

"Geothermal pump system" includes, but is not limited to, a GeoExchangeSM, ground-source system, water-source heat pump, earth-coupled heat pump, ground-coupled heat pump, earth energy, or other technology used to generate energy from the ground or groundwater;

(3) "Geothermal supplies" means any of the following items if used in a residence or a commercial building and reasonably determined by the department to be for purposes of installation of a geothermal pump system; provided, that the sales price per item is three thousand two hundred dollars (\$3,200) or less:

(A) Construction tools, piping, pump modules, heat pumps, and other geothermal equipment or hardware as determined by the department;

(B) Sheetrock, drywall, insulation, paint materials, flooring, and other necessary building materials as determined by the department; and

(C) Any other equipment that utilizes the ground or ground water as a thermal energy source to heat a building or as a thermal energy sink to cool a building.

(4) "Residence" means any single family dwelling in which the owner of the dwelling resides as the owner's primary place of residence or a building containing not more than four (4) units that are leased or owned by persons for residential purposes.

(b)

(1) Except as otherwise provided in this section, a claimant shall be entitled to a refund equal to the total amount of Tennessee state and local sales and use taxes paid by the claimant to one (1) or more retailers resulting from the claimant's purchases of geothermal supplies from such retailers.

(2) The total amount refunded under this section in connection with any one (1) residence shall not exceed two thousand five hundred dollars (\$2,500).

(3) The total amount refunded under this section in connection with any one (1) commercial building shall not exceed four thousand five hundred dollars (\$4,500).

(c)

(1) To receive a refund under this section, a claimant shall file a single application with the department that shall include the aggregate amount

requested by the claimant in connection with all eligible purchases described in subsection (a). Only one (1) application per residence or one (1) application per commercial building shall be allowed. Notwithstanding any provision of § 67-1-1802, such refund shall be made by the department directly to the claimant and shall not be made by the retailer to the claimant. All applications for refund shall be submitted as prescribed by the department and shall include satisfactory proof of department approval of such construction, eligible purchases, and Tennessee taxes paid on such purchases, and any other information or documentation that the department may require, including, but not limited to, store receipts and copies of payment documents such as checks, credit card receipts, or a sworn statement under penalty of perjury to support any purchases made using cash.

(2) The department shall develop guidelines concerning the administration of this section, which shall be posted on the web site of the department. The commissioner is granted broad discretion to administer the refund process in a manner that the commissioner deems necessary to quickly, efficiently, and accurately carry out the purposes of this section.

(d) The department may assess a civil penalty not to exceed twenty-five thousand dollars (\$25,000) against any claimant that knowingly files a false or fraudulent application for refund under this section. Any claimant that is assessed a penalty under this subsection (d) shall be entitled to the remedies provided in § 67-1-1801.

SECTION 2. The commissioner is authorized to promulgate rules and regulations to effectuate the purposes of this act. All such rules and regulations shall be promulgated in accordance with Tennessee Code Annotated, Title 4, Chapter 5.

SECTION 3. This act shall take effect July 1, 2012, the public welfare requiring it.