



## **S.F. No. 441 – Temporary solar energy system credit (as proposed to be amended by the A-1 amendment)**

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This bill provides a temporary income or corporate franchise tax credit based on the purchase and installation cost of a solar energy system, effective for tax years 2025 to 2028.

### **Section 1. Temporary solar energy system credit.**

**Subd. 1. Definitions.** Defines terms applicable to the credit.

**Subd. 2. Credit allowed; limitation.** Allows an income or corporate franchise tax credit equal to the lesser of the “applicable percentage” of the purchase and installation costs of a solar energy system, up to \$2,500 for installation on a taxpayer’s homestead, or up to \$15,000 for installation on business property.

The applicable percentage equals the following percentage of purchase and installation costs:

- 2025: 15%;
- 2026: 13%; and
- 2027-2028: 11%.

The credit is allocated for nonresidents or part-year residents under provisions of current law. The credit is nonrefundable but may be carried forward for up to ten years. Credits granted to a pass-through entity are passed through to partners, members, shareholders, or owners on a pro-rata basis according to their share of the entity’s assets, or as otherwise provided in an organizational document.

**Subd. 3. Credit refundable; appropriation.** Provides that the credit is refundable and directs the commissioner to issue refunds to eligible taxpayers.

**Subd. 4. Expiration.** Sunsets the credit after tax year 2028.

