

**SB 1015 STAFF MEASURE SUMMARY**

**Senate Committee On Energy and Environment**

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**Action Date:** 03/28/23

**Action:** Do pass and refer to Tax Expenditures by prior reference.

**Vote:** 5-0-0-0

**Yeas:** 5 - Findley, Golden, Hayden, Lieber, Sollman

**Fiscal:** Fiscal impact issued

**Revenue:** Revenue impact issued

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**Meeting Dates:** 3/21, 3/28

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**WHAT THE MEASURE DOES:**

Allows taxpayer to fully depreciate, over two tax years, property used for specified purposes that shows demonstrable reduction in carbon emissions beginning with the tax year the property is placed in service. Applies to tax years beginning on or after January 1, 2020. Authorizes the Environmental Quality Commission to adopt rules to establish criteria. Takes effect on 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

- Outcome of accelerated rate of depreciation
- Standard depreciation process
- Interaction of federal and state depreciation programs

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Depreciation is an income tax deduction that allows a taxpayer to recover the cost or other basis of certain property. It is an annual allowance for the wear and tear, deterioration, or obsolescence of the property. Senate Bill 1015 would allow a taxpayer to fully depreciate property that shows a demonstrable reduction in carbon emissions over two tax years.