

**HOUSE . . . . . No. 2726**

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**The Commonwealth of Massachusetts**

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**In the Year Two Thousand Nine**  
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An Act to establish a green building income and excise tax credit..

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 SECTION 1. Declaration of policy and statement of purpose.

2 (a) It is the policy of Massachusetts to encourage the construction, rehabilitation and  
3 maintenance of buildings in this state in such a manner as to:

4 (1) promote better environmental standards for the construction, rehabilitation and  
5 maintenance of buildings in this state;

6 (2) improve energy efficiency and increase generation of energy through renewable and  
7 clean energy technologies;

8 (3) increase the demand for environmentally preferable building materials, finishes, and  
9 furnishings;

10 (4) improve the environment by decreasing the discharge of pollutants from buildings;

11 and

12 (5) create industry and public awareness of new technologies that can improve the quality  
13 of life from building occupants.

14 (b) In order to facilitate the foregoing policies, the legislature hereby creates a business  
15 and personal income tax credit to promote the construction, rehabilitation and maintenance of  
16 buildings that meet the criteria set forth in this act.

17 SECTION 2. Section 6 of chapter 62 of the General Laws, as appearing in the 2006  
18 Official Edition, is hereby amended by inserting the following paragraph:-

19 (m) A tenant or owner of property located in the commonwealth who is not a dependant  
20 of another taxpayer may take a tax credit against the income tax this chapter imposes in an  
21 amount equal to the sum of the credit components specified in section 31N of chapter 63  
22 provided that:

23 (1) for the credit allowance year, a taxpayer shall obtain and file an initial credit  
24 component certificate and an eligibility certificate the division of energy resources shall issue  
25 pursuant to section 31O of chapter 63;

26 (2) for each of the four years succeeding the credit allowance year, a taxpayer shall obtain  
27 and file an eligibility certificate pursuant to section 31O of chapter 63;

28 (3) the amount of each credit component does not exceed the limit set forth in the initial  
29 credit component certificate the corporation obtains pursuant to section 31O of chapter 63;

30 (4) a taxpayer may use a particular cost paid or incurred to determine the amount of only  
31 one credit component;

32 (5) where applicable, a taxpayer shall obtain a certificate of occupancy for the building  
33 for which the taxpayer intends to take the credit;

34 (6) in the case of a fuel cell or photovoltaic module, the property for which the taxpayer  
35 takes the credit remains in service;

36 (7) where the credit allowance year is the first taxable year in which a taxpayer may  
37 claim the credit pursuant to the initial credit component certificate, the green building remains in  
38 service during the year;

39 (8) a taxpayer shall not take a credit under this section unless the taxpayer complies with  
40 the requirements of section 31O of chapter 63, relating to reports to the division of energy  
41 resources;

42 (9) in the construction of a green building, a green base building, and a green tenant  
43 space, or the rehabilitation of a building, base building or tenant space to make a green building,  
44 green base building or green tenant space a taxpayer shall adhere to the regulations the  
45 commissioner promulgates and adopts under section 31P of chapter 63;

46 (10) a tenant or owner shall take a tax credit pursuant to the provisions of paragraphs (b),  
47 (c) and (d) of section 31M of chapter 63; and

48 (11) a taxpayer shall not take a credit under this section if the taxpayer is eligible for the  
49 credit under paragraph (a) of section 31M of chapter 63.

50 SECTION 3. Chapter 63 of the General Laws, as so appearing, is hereby amended by  
51 inserting the following sections:-

52 Section 31L.

53 As used in this section and sections 31M, 31N, 31O and 31P of this chapter and section 6  
54 paragraph (l) of chapter 62, the following terms shall have the following meanings:

55 (a) “Allowable costs” means amounts properly chargeable to a capital account, other than  
56 for land, which a tenant or owner pays or incurs for:

57 (1) construction or rehabilitation; (2) commissioning costs; (3) interest paid or incurred  
58 during the construction or rehabilitation period; (4) legal, architectural, engineering and other  
59 professional fees allocable to construction or rehabilitation; (5) closing costs for construction,  
60 rehabilitation or mortgage loans; (6) recording taxes and filing fees incurred in construction or  
61 rehabilitation; (7) site costs, including but not limited to, temporary electric wiring, scaffolding,  
62 demolition costs, and fencing and security facilities; and

63 (8) furniture, carpeting, partitions, walls, wall coverings, ceilings, drapes, blinds, lighting,  
64 plumbing, electrical wiring and ventilation; but (9) not including telephone systems, computers,  
65 fuel cells and photovoltaic modules.

66 (b) “Base building” means area of a building not intended for occupancy, including but  
67 not limited to: (1) structural components of the building; (2) exterior walls; (3) floors; (4)  
68 windows; (5) roofs; (6) foundations; (7) chimneys and stacks; (8) parking areas; (9) mechanical  
69 rooms, mechanical systems and owner controlled and operated service spaces; (10) sidewalks;  
70 (11) main lobby; (12) shafts and vertical transportation mechanisms; (13) stairways; and (14)  
71 corridors.

72 (c) “Credit allowance year” means the later of: (1) the taxable year during which a tenant  
73 or owner place a green building, a green base building or green tenant space in service or  
74 receives a final certificate of occupancy; or (2) the first taxable year for which a tenant or owner

75 may claim a credit pursuant to the initial credit component certificate that the division of energy  
76 resources issues.

77 (d) “Commissioner” means the commissioner of the division of energy resources,

78 (e) “Commissioning” means the testing and fine-tuning of heat, ventilating, air  
79 conditioning and other systems to assure proper functioning and adherence to design criteria, the  
80 preparation of system operation manuals, and the instruction of maintenance personnel.

81 (f) “Division” means the Massachusetts division of energy resources.

82 (g) “Economic development area” means an area as defined by section 1 of chapter 121C,  
83 or an empowerment zone or enterprise community as defined by section 1391 of the Internal  
84 Revenue Code.

85 (h) “Eligible building” means a building located in the commonwealth that: (1) contains  
86 at least 20,000 square feet of interior space; (2) meets or exceeds or upon completion will meet  
87 or exceed all federal, state and local: (i) zoning requirements; (ii) building codes; (iii)  
88 environmental laws, regulations and industry guidelines; (iv) land use and erosion control  
89 requirements; and (v) storm water management; (3) the Massachusetts state building code or a  
90 subsequent code classifies as commercial and has a ventilation system that: (i) can replace 100  
91 percent of air on any floor on a minimum of two floors at a time; and (ii) has fresh air intakes  
92 located a minimum of 25 feet away from loading areas, building exhaust fans, cooling towers,  
93 and other points of source contamination; (4) is a residential multi-family building with at least  
94 12 units; (5) is a residential multi-family building with at least 2 units that are part of a single or  
95 phased construction project with at least 10,000 square feet under construction or rehabilitation  
96 in any single phase; or

97 (6) is a combination of buildings described in (3), (4) and (5); and (7) is not a building  
98 located on freshwater wetlands or tidal wetlands as defined by section 40 and 40A of chapter  
99 131, or on wetlands that require a permit for construction pursuant to section 404 of the federal  
100 clean water act (33 U.S.C.A 1344).

101 (i) “Energy code” means a chapter within the Massachusetts state building code that  
102 addresses energy or energy related issues.

103 (j) “EPA” means the United States Environmental Protection Agency.

104 (k) “Fuel cell” means a device that produces electricity directly from hydrogen or  
105 hydrocarbon fuel through a non-combustive electrochemical process.

106 (l) “Green base building” means a base building that is part of an eligible building and  
107 meets the standards for energy efficiency, zoning, indoor air quality, and building material,  
108 finishes and furnishing uses the commissioner establishes through regulations under this section.

109 (m) “Green building” means a building in which the base building is a green base  
110 building and the tenant space is green tenant space.

111 (n) “Green tenant space” means tenant space in an eligible building that meets the  
112 standards for energy efficiency, code requirements, indoor air quality, and building material,  
113 finishes and furnishing uses the commissioner establishes through regulations under this section.

114 (o) “Incremental cost of building-integrated photovoltaic modules” means: (1) the cost of  
115 a building-integrated photovoltaic module and associated inverter, additional wiring or other  
116 electrical equipment or mounting or structural materials, less the cost of spandrel glass or other  
117 building material the tenant or owner would have used in the event that the building-integrated

118 photovoltaic module was not installed; (2) labor costs properly allocable to on-site preparation,  
119 assembly and original installation of a photovoltaic module; and (3) architectural and  
120 engineering services, designs and plans directly related to the construction or installation of the  
121 photovoltaic module.

122 (p) “LEED rating system” means the leadership in energy and environmental design  
123 green building rating system that the United States Green Building Council is developing

124 (q) “Tenant improvements” means necessary and appropriate improvements needed to  
125 support or conduct the business of a tenant or occupying owner.

126 (r) “Tenant space” means the portion of a building designed or intended for the  
127 occupancy of the tenant or owner.

128 Section 31M.

129 (a) A corporation subject to tax under this chapter may take a credit against the excise  
130 this chapter imposes, in an amount equal to the sum of the credit components specified in section  
131 31N for the credit allowance year and each of the four succeeding years, provided that: (1) for  
132 the credit allowance year, a taxpayer shall obtain and file an initial credit component certificate  
133 and an eligibility certificate the division of energy resources shall issue pursuant to section 31O;  
134 (2) for each of the four years succeeding the credit allowance year, a taxpayer shall obtain and  
135 file an eligibility certificate pursuant to section 31O; (3) the amount of each credit component  
136 does not exceed the limit set forth in the initial credit component certificate the corporation  
137 obtains pursuant to section 31O;

138 (4) a taxpayer may use a particular cost paid or incurred to determine the amount of only  
139 one credit component; (5) where applicable, a taxpayer shall obtain a certificate of occupancy  
140 for the building for which the taxpayer intends to take the credit; (6) in the case of a fuel cell or  
141 photovoltaic module, the property for which the taxpayer takes the credit remains in service; (7)  
142 where the credit allowance year is the first taxable year in which a taxpayer may claim the credit  
143 pursuant to the initial credit component certificate, the green building remains in service during  
144 the year; (8) a taxpayer shall not take a credit under this section unless the taxpayer complies  
145 with the requirements of section 310, relating to reports to the division of energy resources; and  
146 (9) in the construction of a green building, a green base building, and a green tenant space, or the  
147 rehabilitation of a building, base building or tenant space to make a green building, green base  
148 building or green tenant space a taxpayer shall adhere to the regulations the commissioner  
149 promulgates and adopts under section 31P.

150 (b) A successor owner of property, for which the prior owner could have taken a tax  
151 credit pursuant to this section, may take a credit against the excise tax, provided that:

152 (1) the successor owner may take a credit for the period allowable had the prior owner  
153 not sold the property; and (2) for a taxable year, the prior and successor owners shall allocate the  
154 credit between themselves based on the number of days during the year that each party held  
155 property.

156 (c) A successor tenant, assuming tenancy in place of a prior tenant who could have taken  
157 a taken a tax credit pursuant to this section, may take a credit against the excise take, provided  
158 that: (1) the property upon which the successor tenant bases the credit remains in the building;  
159 (2) the successor tenant may take a credit for the period allowable had the prior tenancy not been



160 terminated; and (3) for a taxable year, the prior and successor tenants shall allocate the credit  
161 between themselves based on the number of days during the year each party used the property.

162 (d) The commissioner may reveal to the successor owner or tenant information with  
163 respect to the credit of the prior owner or tenant that leads to the denial, in whole or part, of the  
164 credit the successor owner or tenant claims under paragraphs (b) or (c) of this section.

165 Section 31N.

166 (a) A tenant or owner of a green building may take a credit equal to the applicable  
167 percentage of the allowable costs the tenant or owner pays or incurs in constructing a green  
168 building or rehabilitating a building to make it a green building, provided that:

169 (1) the applicable percentage a tenant or owner shall use to calculate the credit is 1.4  
170 percent, except where the building is located in an economic development area, in which case the  
171 applicable percentage a tenant or owner shall use is 1.6 percent; (2) a tenant or owner shall not  
172 claim a credit on costs in excess of 150 dollars per square foot for the portion of the building that  
173 comprises the base building; (3) a tenant or owner shall not claim a credit on cost in excess of 75  
174 dollars per square foot for the portion of the building that comprises tenant space.

175 (b) A tenant or owner of green tenant space may take a credit equal to the applicable  
176 percentage of the allowable costs a tenant or owner pays or incurs in constructing green tenant  
177 space or rehabilitating tenant space to make it green tenant space, provided that:

178 (1) a tenant or owner shall not claim a credit for green tenant space smaller than 10,000  
179 feet unless the base building in which the tenant space is located is a green base building;

180 (2) the applicable percentage a tenant or owner shall use to calculate the credit is 1  
181 percent, except where the building is located in an economic development area, in which case the  
182 applicable percentage a taxpayer shall use is 1.2 percent; (3) a tenant or owner shall not claim a  
183 credit on cost in excess of 75 dollars per square foot; and (4) where a tenant and an owner both  
184 incur costs for the creation of a green tenant space, and such costs exceed 75 dollars per square  
185 foot, the owner shall have priority in claiming the owner's costs as the basis for the green tenant  
186 space credit component.

187 (c) A tenant or owner may take a credit equal to the applicable percentage of the  
188 allowable costs a tenant or owner pays or incurs in installing a fuel cell to serve a green building,  
189 green base building or green tenant space, provided that: (1) the fuel cell is a qualifying alternate  
190 energy source; (2) the applicable percentage a tenant or owner shall use to calculate the credit is  
191 6 percent of the sum of the capitalized costs a taxpayer pays or incurs for a fuel cell, including  
192 the cost of the foundation or platform and the labor cost associated with installation; (3) the  
193 tenant or owner shall not claim a credit for capitalized costs in excess of 1,000 dollars per  
194 kilowatt of installed dc rated capacity; and (4) the tenant or owner shall not include as part of the  
195 cost paid or incurred, a federal, state or local grant the tenant or owner receives for purchase and  
196 installation of a fuel cell, unless the tenant or owner includes the amount of the grant as part of  
197 the tenant or owner's federal gross income.

198 (d) A tenant or owner may take a credit equal to the applicable percentage of the  
199 allowable costs a tenant or owner pays or incurs in installing a photovoltaic module to serve a  
200 green building, green base building or green tenant space, provided that: (1) the photovoltaic  
201 module constitutes a qualifying alternate energy source; (2) the applicable percentage a taxpayer  
202 shall use to calculate the credit is 20 percent of the incremental cost a taxpayer pays or incurs for

203 building integrated photovoltaic modules; (3) the applicable percentage a tenant or owner shall  
204 use to calculate the credit is 5 percent of the costs of non-building-integrated photovoltaic  
205 modules; (4) the tenant or owner shall not claim a credit for costs in excess of the product of (1)  
206 three dollars and (2) the number of watts included in the dc rated capacity of the photovoltaic  
207 module; (5) the tenant or owner shall not include as part of the cost paid or incurred, a federal,  
208 state or local grant the tenant or owner receives for purchase and installation of a photovoltaic  
209 module, unless the tenant or owner includes the amount of the grant as part of the tenant or  
210 owner's federal gross income.

211 (e) A tenant or owner of a green base building may take a credit equal to the applicable  
212 percentage of the allowable costs the tenant or owner pays or incurs in constructing a green base  
213 building or rehabilitating a building to make it a green base building, provided that: (1) the  
214 applicable percentage a tenant or owner shall use to calculate the credit is 1 percent, except  
215 where the building is located in an economic development area, in which case the applicable  
216 percentage a tenant or owner shall use is 1.2 percent; (2) a tenant or owner shall not claim a  
217 credit on costs in excess of 150 dollars per square foot for the portion of the building that  
218 comprises the base building.

219 Section 31O.

220 (a) Upon a tenant or owner's application and showing that the tenant or owner is likely to  
221 place in service, in a reasonable time, property that qualifies for the tax credit under this section,  
222 the division shall issue an initial credit component certificate identifying: (1) the first taxable  
223 year for which the tenant or owner may claim a credit; (2) the expiration date of the certificate,  
224 which the division may extend to avoid hardship; (3) the property to which the certificate

225 applies; and (4) the maximum amount of the credit component allowable for each of the five  
226 taxable years for which the certificate allows the credit.

227 (b) In a taxable year for which a tenant or owner claims a tax credit under this section, the  
228 tenant or owner shall obtain an eligibility certificate from an architect or professional engineer  
229 licensed to practice in the commonwealth. The architect or engineer shall certify, under the seal  
230 of the architect or engineer, that, based upon the standards and guidelines in effect at the time in  
231 which the property was placed in service, the building, base building or tenant space for which  
232 the tenant or owner claims the credit is a green building, green base building or green tenant  
233 space, and that the fuel cell or photovoltaic module constitutes a qualifying energy source and  
234 remains in service. The architect or engineer shall set forth specific findings upon which the  
235 architect or engineer based certification and provide sufficient information to identify a building  
236 or space.

237 (c) Immediately following occupancy, and in a taxable year for which a tenant or owner  
238 claims a tax credit under this section, the tenant or owner shall hire to perform indoor air quality  
239 testing and record baseline readings, an engineer or industrial hygienist licensed

240 or certified to practice in the commonwealth or other professional the commissioner may  
241 approve. The engineer, industrial hygienist or other professional shall monitor supply and return  
242 air and ambient air for carbon monoxide, carbon dioxide, total volatile organic compounds,  
243 radon and particulate matter; provided that once radon measurements meet the standards the  
244 commissioner establishes, annual testing is not required.

245 (d) For each taxable year for which a tenant or owner claims a tax credit under this  
246 section, the tenant or owner shall maintain records for: (1) annual energy consumption for

247 building, base building or tenant space; (2) annual results of air monitoring for building, base  
248 building or tenant space; (3) annual confirmation that the building, base building or tenant space  
249 continues to meet requirements regarding smoking area; (4) written notifications from tenants  
250 regarding, and requests to remedy indoor air problems; (5) monthly results of performance  
251 validation for photovoltaic modules and fuel cells; and (6) certification as to off-gassing and  
252 other contamination, as prescribed in subsection paragraph 10 of this subsection.

253 (e) A tenant or owner claiming a tax credit under this section shall file the initial credit  
254 component certificate and the eligibility certificate with the department of revenue and shall file  
255 a duplicate with the division. In addition, when claiming a credit under this section, the tenant or  
256 owner shall provide the information collected pursuant to paragraph 3 of this subsection to the  
257 division. The commissioner shall specify the time and form in which the tenant or owner must  
258 provide the collected information.

259 (f) If the division has reason to believe that an architect or engineer engaged in  
260 professional misconduct when making a certification under this section, the division shall inform  
261 the board of registration of architects or the board of registration of engineers and land surveyors.

262 (g) An owner of a green tenant space claiming the tax credit under this section shall: (1)  
263 prior to initial occupancy and upon a tenant's request, provide a tenant with: (i) written  
264 notification of the opportunity to apply for a tax credit pursuant to this section; and

265 (ii) written guidelines regarding opportunities to improve the energy efficiency and air  
266 quality of tenant space and reduce and recycle waste stream; and (2) in an owner occupied  
267 building, make all tenant space green tenant space.

268 (h) A tenant or owner claiming the tax credit under this section shall provide separate  
269 waste disposal chutes or a carousel compactor system for recyclable materials or otherwise  
270 facilitate recycling by providing a readily accessible collection area with sufficient space to store  
271 recyclable materials between collection dates.

272 (i) If a tenant or owner claiming the tax credit under this section permits smoking, the  
273 tenant or owner shall provide separate air ventilation and circulation systems for smoking and  
274 non-smoking areas.

275 (j) Prior to occupancy or re-occupancy, a tenant or owner claiming the tax credit under  
276 this section shall purge the air for a period of one week on every floor. A tenant or owner may  
277 purge for less time if the tenant or owner obtains certification from an engineer, industrial  
278 hygienist or other professional verifying that off-gassing and other contamination can be reduced  
279 to acceptable levels in less than one week.

280 Section 31P.

281 (a) The commissioner may promulgate and adopt regulations that: (1) encourage the  
282 development of green buildings, green base buildings and green tenant space; (2) establish high,  
283 commercially reasonable standards for obtaining the tax credits under this section; (3) establish a  
284 reasonable time or period of time for submission of an application;

285 (4) establish a method for allocating initial credit component certificates among eligible  
286 applicants; and (5) apply only to a green building, green base building, or green tenant space as  
287 defined in this section.

288 (b) Within 6 months of the effective date of this section, the commissioner shall  
289 promulgate and adopt regulations that establish:

290 (1) standards for energy, including:

291 (i) standards for energy use for eligible buildings provided that;

292 (A) energy use for a newly constructed green building, green base  
293 building or green tenant space cannot exceed 65 percent of the use permitted under the energy  
294 code; and

295 (B) energy use for a building, base building or tenant space rehabilitated to  
296 make a green building, green base building or tenant space cannot exceed 75 percent of the use  
297 permitted under the energy code;

298 (ii) standards for appliances and heating, cooling and water heating equipment for  
299 which, as of the effective date of this section, the United States department of energy, the  
300 environmental protection agency or some other federal agency provides specifications; and

301 (iii) standards for the commissioning of the mechanical plant of a building. The  
302 commissioner shall use documents such as the American Society of Heating, Refrigerating and  
303 Air Conditioning Engineers G-1 and the United States General Services Administration “Model  
304 Commissioning Plan and Guide Specifications” as a guide for the regulation;

305 (2) standards for indoor air quality in base buildings, including:

306 (i) ventilation and exchange of indoor and outdoor air;

307 (ii) indoor air quality management plans for the construction or rehabilitation  
308 process, including provisions to protect ventilation system components and pathways from  
309 contamination;

310 (iii) clean procedures for a project that fails to follow a proper air quality  
311 management plan; and

312 (iv) levels of carbon monoxide, carbon dioxide and total volatile organic  
313 compounds, radon and particulate matter for indoor air;

314 (3) the minimum percentage of recycled content and renewable source material and  
315 maximum levels of toxicity and volatile organic compounds in building materials, finishes and  
316 furnishings, including but not limited to concrete and concrete masonry units, wood and wood  
317 products, millwork substrates, insulation, ceramic, glass and cementitious tiles, ceiling tiles and  
318 panels, flooring and carpet, paints, coatings, sealants, adhesives, and furniture. The  
319 commissioner shall use the LEED rating system as a guide for the regulations;

320 (4) standards for a building located in an area where water use is not metered that require:

321 (i) a gray water system that recovers non-sewage waste water or uses roof or  
322 ground storm water collection systems, or recovers ground water from a sump pump;

323 (ii) a delimiter for cooling tower systems, to reduce drift and evaporation; and

324 (iii) exterior plants to be tolerant of climate, soils and natural water availability  
325 and restricts the use of municipal potable water for watering exterior plants;

326 (5) standards for a building located in an area that does not have sewers or that has  
327 designated storm sewers that require:



328 (i) an oil grit separator or water quality pond for pretreatment of runoff from any  
329 surface parking area; or

330 (ii) at least 50 percent of non-landscape areas, including roadways, surface  
331 parking area, plazas and pathways, must utilize pervious paving materials; and

332 (6) a methodology by which a tenant or owner shall demonstrate compliance with the  
333 standards for energy efficiency, material use, water use, and storm water runoff included in this  
334 section and developed by the commissioner.

335 (c) The commissioner shall review and update regulations promulgated under this section  
336 every two years from the date on which the commissioner adopts the regulations.

337 (d) The commissioner shall design and conduct state-wide, educational seminars and  
338 programs to assist developers, tenants, and others who may participate in the green building tax  
339 credit program. The commissioner shall also design written guidelines that owners of green  
340 tenant space can provide their tenants that explain opportunities to improve energy efficiency  
341 and air quality of tenant space and reduce and recycle waste stream.

342 (e) On or before April 1, 2010 the commissioner shall submit a written report to the  
343 governor, the president of the senate, the speaker of the house, the chairman of the senate finance  
344 committee and the chairman of the house ways and means committee, identifying:

345 (1) the number of certifications filed with the division;

346 (2) the number of taxpayers claiming the credit under this section;

347 (3) the amount of the credits taxpayers have claimed; and

348 (4) other information the commissioner believes meaningful and appropriate in  
349 evaluating the tax credit under this section.

350 (f) Funding

351 (1) Sufficient funds shall be appropriated to the division to fill 3 full-time staff positions  
352 at the division for the administration of this section.

353 (2) Additional funding of 150,000 dollars shall be appropriated to the division for state-  
354 wide, educational seminars and programs to assist developers, tenants, and others who may  
355 participate in the green building tax credit program.

356 (3) Upon application by a taxpayer, the Division shall issue an initial credit  
357 component certificate where the taxpayer has made a showing that the taxpayer is likely within a  
358 reasonable time to place in service property which would warrant the allowance of a credit under  
359 this section. Such certificate shall state the first taxable year for which the credit may be claimed  
360 and an expiration date, and shall apply only to property placed in service by such expiration date.  
361 Such expiration date may be extended at the discretion of the Division, in order to avoid  
362 unwarranted hardship. Such certificates may be issued in years 2009-2012. Such certificates shall  
363 state the maximum amount of credit component allowable for each of the five taxable years for  
364 which the credit component is allowed, under section 31N.

365 (i) Period one. Initial credit component certificates for period one may be issued in years  
366 2009-2012 Such certificates for period one shall not be issued, in the aggregate, for more than  
367 twenty-five million dollars worth of credit components. The total amount of credit component  
368 allowable for the five taxable years for which the credit components are allowed, as set forth on  
369 any one initial credit component certificate, shall be limited to two million dollars. However, a

370 taxpayer that is the owner or tenant of more than one building that qualifies for the credits  
371 provided for under this section may be issued initial credit component certificates with respect to  
372 each such building with the aggregate amount of credit components permitted for each such  
373 certificate being two million dollars. In addition, such certificates for period one shall be limited  
374 in their applicability, as follows:

375	Credit components in	With respect to taxable
376	the aggregate shall not	years beginning in:
377	be allowed for more than:	
378	\$ 1 million	2009
379	\$ 2 million	2010
380	\$ 3 million	2011
381	\$ 4 million	2012
382	\$ 5 million	2013
383	\$ 4 million	2014
384	\$ 3 million	2015
385	\$ 2 million	2016
386	\$ 1 million	2017

387 Provided, however, that if as of the end of a calendar year, certificates for credit  
388 component amounts totaling less than the amount permitted with respect to taxable years

389 commencing in such calendar year have been issued, then the amount permitted with respect to  
390 taxable years commencing in the subsequent calendar year shall be augmented by the amount of  
391 such shortfall.

392 (ii) Period two. Initial credit component certificates for period two may be issued in years  
393 2011-2015. Such certificates for period two shall not be issued, in the aggregate, for more than  
394 twenty-five million dollars worth of credit components. The total amount of credit component  
395 allowable for the five taxable years for which the credit components are allowed, as set forth on  
396 any one initial credit component certificate, shall be limited to two million dollars. However, a  
397 taxpayer that is the owner or tenant of more than one building that qualifies for the credits  
398 provided for under this section may be issued initial credit component certificates with respect to  
399 each such building with the aggregate amount of credit components permitted for each such  
400 certificate being two million dollars. Provided further, a taxpayer that is the owner or tenant of a  
401 building for which an initial credit component certificate was issued for period one, shall not be  
402 issued an initial credit component certificate with respect to such building for period two. In  
403 addition, such certificates for period two shall be limited in their applicability, as follows:

404	Credit components in the	With respect to taxable
405	aggregate shall not be	years beginning in:
406	allowed for more than:	
407	\$ 1 million	2014
408	\$ 2 million	2015
409	\$ 3 million	2016

410	\$ 4 million	2017
411	\$ 5 million	2018
412	\$ 4 million	2019
413	\$ 3 million	2020
414	\$ 2 million	2021
415	\$ 1 million	2022

416            Provided, however, that if as of the end of a calendar year, certificates for credit  
417 component amounts totaling less than the amount permitted with respect to taxable years  
418 commencing in such calendar year have been issued, then the amount permitted with respect to  
419 taxable years commencing in the subsequent calendar year shall be augmented by the amount of  
420 such shortfall. Provided, further, that if at the end of calendar year two thousand nine, certificates  
421 for credit component amounts issued by the Division have totaled less than twenty-five million  
422 dollars for calendar years 2011-2015, then the period to issue initial credit component certificates  
423 shall be extended to the end of calendar year two thousand sixteen and the Division shall be  
424 permitted to issue in two thousand sixteen initial credit component certificates for amounts that  
425 equal the difference between the amounts issued for calendar years 2014-2022 and twenty-five  
426 million dollars.