DIGEST

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HB 37 Original | 2016 First Extraordinary Session | Bacala

Abstract: Accelerates the termination date for the solar energy systems tax credit from Jan. 1, 2018, to April 1, 2016.

Present law provides for a state income tax credit for the purchase and installation of a solar energy system on a La. residence. The credit requirements and benefits differ based upon whether the system is purchased by the homeowner for installation at their residence, or if it is purchased by a third party for installation at another person's residence, typically through a lease agreement.

Purchased system

Present law prohibits tax credits for any system installed after Dec. 31, 2017.

Proposed law accelerates the termination date and prohibits tax credits for a system installed on or after April 1, 2016.

Present law provides the maximum amount of the credit for a system purchased and installed on or after July 1, 2015, and before Jan. 1, 2018, to be the lesser of any of the following: 50% of the cost of purchase and installation, $2 multiplied by the size of the system measured in DC watts, or $10,000.

Proposed law accelerates the end date for the allowable credit from before Jan. 1, 2018, to April 1, 2016.

Present law beginning with Fiscal Year 2015-2016, establishes annual caps on the total amount of tax credits allowed on any return, regardless of tax year, as follows:

(1) For tax credits claimed on returns filed on or after July 1, 2015, and before July 1, 2016, no more than $10 million.

(2) For tax credits claimed on returns filed on or after July 1, 2016, and before July 1, 2017, no more than $10 million.

(3) For tax credits claimed on a return filed on or after July 1, 2017, no more than $5 million.

Proposed law eliminates the cap for returns filed on or after July 1, 2016, and accelerates the end date for which the first $10 million in credit cap applies from July 1, 2016 to April 1, 2016.

Leased system

Present law prohibits tax credits for any system installed after Dec. 31, 2017.

Proposed law accelerates the termination date and prohibits tax credits for a system installed after March 31, 2016.

Present law provides that the maximum credit amount for a leased system purchased and installed on or after July 1, 2015, and before Jan. 1, 2018, is 38% of the first $20,000 of the cost of purchase and installation.

Proposed law accelerates the end date from Jan. 1, 2018, to April 1, 2016.

Present law establishes a $19 million cap on the amount of tax credits for leased systems which may be allowed on tax returns during Fiscal Year 2014-2015 for credits not granted prior to June 1, 2015.

Present law beginning with Fiscal Year 2015-2016, establishes annual caps on the total amount of tax credits allowed on any return, regardless of tax year, as follows:

(1) For tax credits claimed on returns filed on or after July 1, 2015, and before July 1, 2016, no more than $10 million.

(2) For tax credits claimed on returns filed on or after July 1, 2016, and before July 1, 2017, no more than $10 million.

(3) For tax credits claimed on returns filed on or after July 1, 2017, no more than $5 million.

Proposed law eliminates the cap for returns filed on or after July 1, 2016, and accelerates the end date for which the first $10 million in credit cap applies from July 1, 2016, to April 1, 2016.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 47:6030(B)(1)(b)(intro. para.), (c), and (d) and (2)(a)(i) and (ii)(cc), (b)(ii), and (c))