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## DIGEST

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HB 187 Engrossed

2017 Regular Session

Cromer

**Abstract:** Authorizes the payment of claims for credits on eligible solar energy systems purchased and installed on or before June 30, 2016; authorizes the payment of interest under certain circumstances; changes the sunset of the solar energy systems tax credit for purchased systems from Dec. 31, 2017 to June 30, 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 his residence, or if it is purchased by a third party for installation at another person's residence.

### **Purchased system**

Present law provides that for a system purchased by a homeowner before July 1, 2015, the amount of the tax credit is equal to 50% of the first \$25,000 of the system's cost. The amount of the tax credit for a system purchased and installed by a homeowner on or after July 1, 2015, and before Jan. 1, 2018, is 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 direct current watts, or \$10,000.

Proposed law retains present law.

Present law establishes annual caps, beginning with FY 2016, 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 dollars.
- (2) For tax credits claimed on returns filed on or after July 1, 2016, and before July 1, 2017, no more than \$10 million dollars.
- (3) For tax credits claimed on a return filed on or after July 1, 2017, no more than \$5 million dollars.

Proposed law provides that notwithstanding the limitation on the amount of credits that may be granted in a fiscal year under present law, any taxpayer whose claim for a credit was denied or would have been denied for any portion of the original claim for a credit shall be granted the full amount of the credit for which the purchased solar energy system is eligible based on the original claim provided the claim relates to a solar energy system that was purchased and installed on or before

June 30, 2016.

Proposed law prohibits the amendment of a tax credit claim concerning the date of purchase and installation of the solar energy system.

Proposed law authorizes the payment of interest at the annual rate established in present law to accrue beginning 90 days after July 1, 2017, for all payments of credit claims which were previously denied and for systems granted a credit from the credit cap period which relates to credits claimed on a return filed on or after July 1, 2017.

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

Proposed law changes the sunset date of the credit for purchased systems from Dec. 31, 2017, to June 30, 2016.

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

(Amends R.S. 47:6030(B)(1)(d); Adds R.S. 47:6030(B)(1)(c)(v))

#### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Change the tax credit claims paid by the state under the provisions of proposed law from any claim for a system purchased and installed on or before July 1, 2017 to any claim for a system purchased and installed on or before June 30, 2016.
2. Changes the sunset date of the credit for purchased systems from June 30, 2017 to June 30, 2016.
3. Deletes the sunset provisions of the credit for leased systems in proposed law thereby allowing the sunset date for leased systems to remain Dec. 31, 2017, which is the sunset date in present law.