

2017 Regular Session

HOUSE BILL NO. 187

BY REPRESENTATIVES CROMER, ABRAHAM, ABRAMSON, AMEDEE, BACALA, BAGLEY, BERTHELOT, BOUIE, CHAD BROWN, TERRY BROWN, CARMODY, GARY CARTER, STEVE CARTER, CONNICK, COUSSAN, COX, CREWS, DAVIS, DEVILLIER, DWIGHT, EDMONDS, EMERSON, FALCONER, FOIL, GAROFALO, GISCLAIR, GLOVER, JIMMY HARRIS, HAVARD, HAZEL, HENRY, HENSGENS, HILFERTY, HODGES, HORTON, HOWARD, HUNTER, JACKSON, JEFFERSON, JENKINS, JOHNSON, JORDAN, NANCY LANDRY, LEGER, MACK, MAGEE, MARINO, MCFARLAND, MIGUEZ, DUSTIN MILLER, GREGORY MILLER, MORENO, PEARSON, PIERRE, PUGH, RICHARD, SCHEXNAYDER, SEABAUGH, STOKES, TALBOT, THIBAUT, THOMAS, AND ZERINGUE

TAX CREDITS: Terminates the solar energy systems tax credit and provides relative to the payment of claims for the tax credit for purchased systems

1 AN ACT

2 To amend and reenact R.S. 47:6030(B)(1)(b)(introductory paragraph) and (d) and to enact  
3 R.S. 47:6030(B)(1)(c)(v), relative to tax credits; to provide with respect to the solar  
4 energy systems tax credit; to provide for payment and claiming of the credit on  
5 purchased systems; to authorize the payment of interest for certain tax credit claims;  
6 to provide for the termination of the tax credit for certain systems; to provide for  
7 effectiveness; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:6030(B)(1)(b)(introductory paragraph) and (d) are hereby  
10 amended and reenacted and R.S. 47:6030(B)(1)(c)(v) is hereby enacted to read as follows:

11 §6030. Solar energy systems tax credit

12 \* \* \*

13 B.(1) Purchased systems. The tax credit for the purchase and installation of  
14 an eligible system at a Louisiana residence or for a system which is already installed

1 in a newly constructed home located in Louisiana shall be subject to the following  
2 provisions:

3 \* \* \*

4 (b) For a system purchased and installed on or after July 1, 2015, and before  
5 ~~January 1, 2018~~ July 1, 2016, the tax credit shall be equal to the least of:

6 (c) Beginning in Fiscal Year 2015-2016, the maximum amount of tax credits  
7 for purchased systems which may be granted by the department on any return,  
8 regardless of tax year, shall be as follows:

9 \* \* \*

10 (v) Notwithstanding the provisions of Items (i) through (iv) of this  
11 Subparagraph, any taxpayer whose claim for a credit was denied or would have been  
12 denied for any portion of the original claim for a credit pursuant to the provisions of  
13 Items (i) through (iv) of this Subparagraph shall be granted the full amount of the  
14 credit for which the purchased solar energy system is eligible based on the original  
15 claim provided the claim relates to a solar energy system that was purchased and  
16 installed on or before June 30, 2016, and the claim meets all other requirements of  
17 an eligible system. For purposes of this Item, no amendment concerning the date of  
18 purchase and installation of the solar energy system for which the claim relates shall  
19 be allowed. Interest at the annual rate established pursuant to R.S. 13:4202 shall be  
20 allowed to accrue beginning ninety days from the later of either July 1, 2017, or the  
21 date all supporting documentation is received by the department for all payments of  
22 credit after July 1, 2017, for all payments of credit claims which were previously  
23 denied pursuant to the provisions of this Subparagraph and for systems granted a  
24 credit from the credit cap period which relates to credits claimed on a return filed on  
25 or after July 1, 2017.

26 (d) There shall be no tax credits authorized, issued, or granted as provided  
27 in this ~~Section~~ Paragraph for systems installed on or after ~~January 1, 2018~~ June 30,  
28 2016.

29 \* \* \*

1 Section 2. This Act shall become effective upon signature by the governor or, if not  
 2 signed by the governor, upon expiration of the time for bills to become law without signature  
 3 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
 4 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
 5 effective on the day following such approval.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 187 Reengrossed

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 July 1, 2016, 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 on the later of either 90 days after July 1, 2017, or the date all supporting documentation is received by the department for the payment of the tax 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)(b)(intro. para.) and (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.

The House Floor Amendments to the engrossed bill:

1. Change the date from Jan. 1, 2018 to July 1, 2016, relative to the amount of the tax credit for purchased solar energy systems to make the dates consistent with the date the tax credit for purchased systems terminates.
2. Change provisions for the accrual of interest on the payment of solar energy system tax credits from 90 days after July 1, 2017, to the later of either 90 days after July 1, 2017, or the date all supporting documentation is received by the department for the payment of the tax credit claim.
3. Technical changes.