

GREEN SHEET REDIGEST

HB 187

2017 Regular Session

Cromer

(KEYWORD, SUMMARY, AND DIGEST as amended by Senate committee amendments)

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

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DIGEST

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 December 31, 2015.

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.

Proposed law authorizes that credits for systems purchased before December 31, 2015 that taxpayers did not receive due to the \$10 million caps, be allowed in three equal parts over fiscal years 2017-2018 through 2019-2020 and not to exceed \$5 million per fiscal year, not including interest. However, if any taxpayer has a tax credit balance remaining at the end of fiscal year 2020, the balance may be claimed in fiscal year 2020-2021.

Present law regarding leased systems, authorizes credits for the purchase and installation of a system by a third-party through a lease with the owner of the residence. Provides that the credit equals 50% of the first \$25,000 for a system installed before January 1, 2014. Proposed law retains this provision.

Present law provides that the credit for a system installed on or after January 1, 2014 and before January 1, 2018 equals 38% of the first \$20,000 of the cost of the purchase. Proposed law retains this provision but provides that the credit be installed on or after July 1, 2015 and before January 1, 2018.

Proposed law adds provisions clarifying that the credit on systems installed on or after July 1, 2014 and before July 1, 2015 equal 38% of the first \$25,000.

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.), (d), and (2)(a)(i); 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.

#### Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs  
to the reengrossed bill

1. Add a three-year structured payout provision that authorizes credit claims that qualify to be granted over three years.

2. 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 June 30, 2016 to any claim for a system purchased and installed on or before December 31, 2015.
3. Technical changes relating to leased solar systems.