

2019 Regular Session

SENATE BILL NO. 228

BY SENATOR CLAITOR

TAX/TAXATION. Provides individual income tax credits for the purchase and installation of residential water saving equipment. (gov sig)

1 AN ACT

2 To enact R.S. 47:297.14, relative to individual income tax credits; to provide individual

3 income tax credits for purchases of water saving residential equipment; to provide

4 for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:297.14 is hereby enacted to read as follows:

7 **§297.14. Reduction to tax due; water saving equipment**

8 **A. There shall be a credit against the tax imposed by this Part for the**

9 **purchase by an individual of certain new water saving equipment that is**

10 **installed at the individual's residence located in this state.**

11 **B. The amount of the credit for new water saving equipment that is**

12 **purchased and installed on or after January 1, 2020, shall be as follows:**

13 **(1) High efficiency toilet. The credit for the purchase of a high efficiency**

14 **toilet shall be fifty dollars per toilet and is limited to three per residence.**

15 **(2) High efficiency washing machine. The credit for the purchase of a**

16 **high efficiency washing machine shall be one hundred dollars and is limited to**

17 **one per residence.**

1 **(3) Weather based irrigation controller. The credit for the purchase of**
2 **a weather based irrigation controller shall be one hundred dollars and is limited**
3 **to one per residence.**

4 **(4) Storm water runoff collection system. The credit for the purchase of**
5 **a storm water runoff system shall be twenty-five dollars for a system with a**
6 **capacity of less than two hundred gallons, one hundred dollars for a system with**
7 **a capacity between two hundred gallons and one thousand gallons, or two**
8 **hundred dollars for a system with a capacity of more than one thousand gallons**
9 **and is limited to one system per residence.**

10 **(5) The credit amounts in this Subsection shall be doubled if the water**
11 **saving equipment is installed at a residence that is in an "area of groundwater**
12 **concern" as determined pursuant to R.S. 38:3097.6.**

13 **C. As used in this Section:**

14 **(1) "High efficiency toilet" means a new toilet not exceeding one and**
15 **twenty-eight one hundredths gallons of water per flush that is included on the**
16 **United States Environmental Protection Agency's WaterSense products list.**

17 **(2) "High efficiency washing machine" means a new high efficiency**
18 **washing machine listed on the United States Environmental Protection Agency's**
19 **Energy Star qualified high efficiency washing machines product list.**

20 **(3) "Storm water runoff system" means a new rain barrel or cistern used**
21 **to collect, store, and reuse rainwater for landscaping and other residential water**
22 **purposes.**

23 **(4) "Water saving equipment" means high efficiency toilets, high**
24 **efficiency washing machines, weather based irrigation controllers, and storm**
25 **water runoff systems.**

26 **(5) "Weather based irrigation controller" means a new signal based or**
27 **sensor based smart irrigation controller listed on the United States**
28 **Environmental Protection Agency's approved WaterSense controller list.**

29 **D.(1) The tax credit shall be claimed against Louisiana individual income**

1 tax on the return for the taxable year in which the water saving equipment is
2 purchased and installed. If the water saving equipment is installed in a year
3 after the year of purchase, the credit shall be claimed in the year the equipment
4 is installed.

5 (2) If the credit against Louisiana income tax exceeds the amount of the
6 individual's tax liability for the taxable period, then the excess tax credit may
7 be carried forward as a credit against the subsequent individual income tax
8 liability of the individual for the subsequent tax year.

9 (3) The credit may be used in addition to any other tax credit, deduction,
10 rebate, or incentive earned for the same item.

11 (4) Taxpayers shall retain documentation relating to the purchase,
12 installation, and qualification of the water saving equipment for all equipment
13 for which this credit is claimed and shall provide the documentation to the
14 Department of Revenue upon request.

15 E. The maximum amount of all tax credits allowed pursuant to this
16 Section for any tax year shall not exceed two million dollars. The granting of
17 credits pursuant to this Section shall be on a first come, first served basis. If the
18 total amount of credits applied for in any year exceeds the aggregate amount of
19 tax credits allowed for that year, the excess will be treated as having been
20 applied for on the first day of the subsequent year.

21 F. The secretary of the Department of Revenue shall promulgate rules
22 and regulations in accordance with the Administrative Procedure Act as may
23 be necessary to carry out the provisions of this Section.

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

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Leonore Heavey.

DIGEST

SB 228 Original 2019 Regular Session Claitor

Proposed law authorizes individual income tax credits for purchases of certain water saving equipment installed at the individual's residence located in this state beginning January 1, 2020:

- (1) High efficiency toilet – \$50 per toilet up to three per residence.
- (2) High efficiency washing machine – \$100 per washing machine limited to one per household.
- (3) Weather based irrigation controller – \$100 per controller limited to one per residence.
- (4) Storm water runoff collection systems – \$25 for rain barrels or cisterns less than 200 gallons, \$100 for systems with capacities between 200 and 1,000 gallons, and \$200 for capacities over 1,000 gallons limited to one per residence.

Proposed law provides that the credit amounts for the purchase of water saving equipment will be doubled if the individual resides in an area of groundwater concern.

Proposed law provides definitions for the water saving equipment eligible for the credit:

- (1) "High efficiency toilet" means a new toilet not exceeding 1.28 gallons of water per flush that is included on the EPA's WaterSense products list.
- (2) "High efficiency washing machine" means a new high efficiency washing machine listed on the EPA's Energy Star qualified high efficiency washing machines product list.
- (3) "Storm water runoff system" means a new rain barrel or cistern used to collect, store, and reuse rainwater for landscaping and other residential water purposes.
- (4) "Weather based irrigation controller" means new signal based or sensor based smart irrigation controller listed on the EPA's approved WaterSense controller list.

Proposed law authorizes the credit to be used against individual income tax in the tax year in which the equipment is purchased and installed.

Proposed law authorizes a one-year carryover of the credit if the credit exceeds the taxpayer's tax liability in the year earned.

Proposed law requires taxpayers to retain documentation related to the purchase of water saving equipment for which a credit is claimed and shall provide if requested by the Department of Revenue.

Proposed law places a \$2 million annual cap on the total credits the Department of Revenue can issue during any year and provides that any credits in excess of the cap shall be deemed applied for on the first day of the following year.

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

(Adds R.S. 47:297.14)