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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by J. W. Wiley.

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## DIGEST

Present law provides a refundable and transferable wind or solar energy system tax credit against individual and corporate income tax for the cost of purchase and installation of a wind or solar energy system by a resident individual at his residence located in this state or by the owner of a residential rental apartment project. Provides that the credit may be claimed in cases where an individual purchases a newly constructed home with such a system already installed or where such a system is purchased and installed at an existing home, or where such systems are installed in new or existing apartment projects.

Proposed law retains present law but changes "resident individual" to "taxpayer" and allows any taxpayer who purchases and installs such systems to claim the tax credit.

Proposed law provides that once a tax credit is claimed on such systems, a second tax credit is not available for the system if the system, home or apartment project is resold. Further requires the claimant of the credit to disclose the tax credit to any subsequent purchaser.

Present law provides that the credit shall be equal to 50% of the first \$25,000 of the cost of each wind or solar energy system, including installation costs, that is purchased and installed on or after January 1, 2008.

Proposed law removes the present law provision that prohibits a taxpayer from receiving the tax credit authorized in present law from also receiving any other state tax credit, exemption, exclusion, deduction or tax benefit for property for which the taxpayer has received a tax credit.

Present law further provides that in the case of an individual who purchases and installs such a system, the tax credit shall be claimed on the return for the taxable year in which the system is completed and placed in service. In the case of an individual who purchases a newly constructed home with such a system, the tax credit shall be claimed on the return for the taxable year in which the act of sale of the house takes place.

Proposed law retains present law but changes "individual" to "taxpayer."

Present law provides that in the case of an apartment project owner who purchases and installs such systems, the tax credits for owner entities other than individuals shall be claimed in accordance with the provisions of present law.

Proposed law changes present law and provides that in the case of a taxpayer who purchases a new apartment project or who purchases and installs such systems in an existing apartment project, the tax credits for owner entities other than individuals shall be claimed on the return for the taxable year in which such system is completed and placed in service and in accordance with

the provisions of present law.

Present law defines "wind energy system" as a system of apparatus and equipment with the primary purpose of intercepting and converting wind energy into mechanical or electrical energy and transferring this form of energy by a separate apparatus to the point of use or storage.

Proposed law removes "by a separate apparatus" from the definition.

Applicable to tax years beginning on and after January 1, 2009.

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

(Amends R.S. 47:6030(A), (B)(1) and (2), and (D)(1))