

2015 Regular Session

HOUSE BILL NO. 779

BY REPRESENTATIVE PONTI

TAX CREDITS: Provides with respect to the solar energy systems tax credit

1 AN ACT

2 To amend and reenact R.S. 47:6030(A)(1), (B), (C)(6), and (D), relative to tax credits; to
3 provide with respect to the solar energy systems tax credit; to provide for the amount
4 of the credit; to provide with respect to eligibility for certain types of solar energy
5 systems; to limit certain types of financing for eligible systems; to provide with
6 respect to the claiming of the credit; to repeal the credit for leased systems; to
7 provide for effectiveness; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:6030(A)(1), (B), (C)(6), and (D) are hereby amended and
10 reenacted to read as follows:

11 §6030. Solar energy systems tax credit

12 A.(1) There shall be a credit against the income tax for the cost of purchase
13 and installation of a solar electric system,~~a solar thermal system~~, or any combination
14 of components thereof, hereinafter collectively referred to as "system", at a single-
15 family residence located in Louisiana. The credit is allowed if a newly constructed
16 home with such a system already installed is purchased or if such a system is
17 purchased and installed at an existing home. In addition to eligibility requirements
18 provided in Subsection B of this Section, to be eligible for a tax credit, the system
19 shall have been sold by and installed by a person who is licensed by the Louisiana
20 State Licensing Board for Contractors, and with respect to any system components

1 purchased on or after July 1, 2013, the system shall be compliant with the
 2 requirements of the federal American Recovery and Reinvestment Act (ARRA),
 3 including but not limited to all major components such as the inverter, racking, and
 4 solar modules. Each eligible system shall be installed on the property of the
 5 residence to which the electrical, ~~mechanical, or thermal~~ energy is delivered. With
 6 respect to each residence, there shall be allowed only one tax credit for the purchase
 7 and installation of a system and no other tax credit is allowed for any other system
 8 installed at that residence. The provisions of this Section shall in no way be
 9 construed or interpreted to allow more than one tax credit authorized under this
 10 Section, including any tax credit claimed before July 1, 2013, for any residence.
 11 Once a tax credit authorized pursuant to this Section is claimed by a taxpayer for a
 12 particular system, that same system shall not be eligible for any other tax credit
 13 pursuant to this Section. If the residential property or system is sold, the taxpayer
 14 who claimed the tax credit shall disclose his use of the tax credit to the purchaser.

* * *

16 B.(1) The tax credit for the purchase and installation of ~~a~~ an eligible system
 17 at a Louisiana residence or for a system which is already installed in a newly
 18 constructed home located in Louisiana shall be equal to fifty percent of the first
 19 ~~twenty-five~~ twenty thousand dollars of the cost of a system that is purchased and
 20 installed on or after January 1, 2008, and before January 1, 2018. There shall be no
 21 tax credits authorized, issued, or granted as provided in this ~~Paragraph~~ Section for
 22 systems installed after December 31, 2017.

23 ~~(2) Leased systems. Tax credits authorized under this Section for the~~
 24 ~~purchase and installation of a system at a Louisiana residence by a third party~~
 25 ~~through a lease with the owner of the residence shall be subject to the following~~
 26 ~~provisions:~~

27 ~~(a) The tax credit shall be equal to fifty percent of the first twenty-five~~
 28 ~~thousand dollars of the cost of purchase for a system installed before January 1,~~
 29 ~~2014. For a system installed on or after January 1, 2014, and before January 1, 2018,~~

- 1 vetoed by the governor and subsequently approved by the legislature, this Act shall become
2 effective on the day following such approval.

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)]

HB 779 Original

2015 Regular Session

Ponti

Abstract: Regarding the solar energy systems tax credit, for a purchased system, reduces the maximum value of a system eligible for the credit from \$25,000 to \$20,000 and provides for various other changes regarding system eligibility and requirements for the claiming of the credit; repeals the credit for leased systems.

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 the amount of the tax credit for a system purchased by the homeowner is equal to 50% of the first \$25,000 of system cost.

Proposed law reduces the maximum amount of the credit from 50% of the first \$25,000 of the system's cost to 50% of the first \$20,000 of the system's cost.

Proposed law adds the following requirements for an eligible system: the maximum system size is 8 kilowatts of energy at a cost of no more than \$2 per watt, and any financing for the system purchase shall not exceed 48 months.

Present law defines a "solar energy system" eligible for the credit as a "solar electric system" or a "solar thermal system".

Proposed law repeals eligibility for a "solar thermal system" and adds exclusions for the following types of solar energy equipment: air conditioning, ventilation, lighting, pool equipment, gate systems, and other equipment as provided by administrative rule.

Present law provides generally with respect to the claiming of the tax credit, including the requirement that the credit be claimed in the year in which the system was installed, or, if being claimed on a newly purchased home, in the year in which the home was bought.

Proposed law retains present law but adds a limitation on the taking of the credit by requiring that the credit be claimed only in the year in which the installation or home purchase took place. Proposed law prohibits the carryforward of any unused credit amount.

Proposed law requires the submission of certain information by a taxpayer when claiming a credit. This includes proof of installation, information on the solar panels, the terms of any financing for the system, and any other documentation that may be required by administrative rule.

Leased system

Present law provides that the amount of the tax credit for a system which is purchased and installed by a third party through a lease with the owner of the residence is equal to 38% of the first \$25,000 of the cost of purchase for a system that provides no more than six kilowatts of energy, with the following limitations:

- (1) From July 1, 2013, through July 1, 2014, the system costs \$4.50 per watt or less.
- (2) From July 1, 2014, through July 1, 2015, the system costs \$3.50 per watt or less.
- (3) From July 1, 2015, through Jan. 1, 2017, the system costs \$2.00 per watt or less.

Proposed law repeals present law authorizing tax credits for leased systems.

Applicable to any system installed on or after the effective date of this Act.

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

(Amends R.S. 47:6030(A)(1), (B), (C)(6), and(D))