AN ACT

To amend and reenact R.S. 47:6030(A)(1), (B), (C)(6), (D), and (F), and to enact R.S. 47:6030(C)(7) and (8), and to repeal R.S. 47:6030(C)(5), relative to tax credits; to provide with respect to the solar energy systems tax credit; to provide for the amount of the credit; to provide for a limitation on the amount of certain credits which may be claimed in a calendar year; to provide for definitions; to provide with respect to eligibility for certain types of solar energy systems; to limit certain types of financing for eligible systems; to provide with respect to the claiming of the credit; to provide for effectiveness; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1.  R.S. 47:6030(A)(1), (B), (C)(6), (D), and (F) are hereby amended and reenacted and R.S. 47:6030(C)(7) and (8) are hereby enacted to read as follows:

§6030.  Solar energy systems tax credit

A.(1) There shall be a credit against the income tax for the cost of purchase and installation of a solar electric system, a solar thermal system, or any combination of components thereof, hereinafter collectively referred to as "system", at a single-family residence located in Louisiana. The credit is allowed if a newly constructed home with such a system already installed is purchased or if such a system is purchased and installed at an existing home. In addition to eligibility requirements provided in Subsection B of this Section, to be eligible for a tax credit, the system shall have been sold by and installed by a person who is licensed by the Louisiana State Licensing Board for Contractors, and with respect to any system components purchased on or after July 1, 2013, the system shall be compliant with the requirements of the federal American Recovery and Reinvestment Act (ARRA), including but not limited to all major components such as the inverter, racking, and

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solar modules. Each eligible system shall be installed on the property of the
residence to which the electrical, mechanical, or thermal energy is delivered. With
respect to each residence, there shall be allowed only one tax credit for the purchase
and installation of a system and no other tax credit is allowed for any other system
installed at that residence. The provisions of this Section shall in no way be
construed or interpreted to allow more than one tax credit authorized under this
Section, including any tax credit claimed before July 1, 2013, for any residence.
Once a tax credit authorized pursuant to this Section is claimed by a taxpayer for a
particular system, that same system shall not be eligible for any other tax credit at
a residence, regardless of the credit amount claimed, there shall be no additional or
subsequent tax credit authorized for installation of any equipment at that residence
pursuant to this Section. If the residential property or system is sold, the taxpayer
who claimed the tax credit shall disclose his use of the tax credit to the purchaser.

* * *

B.(1) Purchased systems. The tax credit for the purchase and installation of
an eligible system at a Louisiana residence or for a system which is already
installed in a newly constructed home located in Louisiana shall be subject to the
following provisions:

(a) For a system purchased and installed on or after January 1, 2008, and
before July 1, 2015, the amount of the credit shall be equal to fifty percent of the first
twenty-five thousand dollars of the cost of the system that is purchased and installed on or after January 1, 2008, and before January 1, 2018.

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

(i) Two dollars multiplied by the total size of the system as measured in DC
watts.

(ii) Fifty percent of the cost of purchase and installation.

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

(i) For tax credits claimed on returns filed on or after July 1, 2015, and before July 1, 2016, no more than ten million dollars of tax credits shall be granted.

(ii) For tax credits claimed on returns filed on or after July 1, 2016, and before July 1, 2017, no more than ten million dollars of tax credits shall be granted.

(iii) For tax credits claimed on a return filed on or after July 1, 2017, no more than five million dollars of tax credits shall be granted.

(iv) The granting of credits shall be on a first-come, first-served basis. If the total amount of credits applied for in any particular fiscal year exceeds the amount of tax credits authorized for that year, the excess shall be treated as having been applied for on the first day of the subsequent year. All requests received on the same business day shall be treated as received at the same time, and if the aggregate amount of the requests received on a single business day exceed the total amount of available tax credits, tax credits shall be approved on a pro rata basis. Beginning in Fiscal Year 2015-2016 any claim or request for an allocation of credits under this Section shall be filed electronically.

(d) There shall be no tax credits authorized, issued, or granted as provided in this Paragraph Section for systems installed after December 31, 2017 on or after January 1, 2018.

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

(a) (i) The tax credit shall be equal to fifty percent of the first twenty-five thousand dollars of the cost of purchase for a system installed before January 1, 2014. For a system installed on or after January 1, 2014, and before January 1, 2018, the tax credit shall be equal to thirty-eight percent of the first twenty-five thousand dollars of the cost of purchase.
(b) (ii) The purchase and installation of a system shall be eligible for a tax credit during these periods under the following circumstances:

(†) (aa) For a system purchased and installed on or after July 1, 2013, and before July 1, 2014, the system shall cost no more than four dollars fifty cents per watt and provide for no more than six kilowatts of energy.

(†+‡) (bb) For a system purchased and installed on or after July 1, 2014, and before July 1, 2015, the system shall cost no more than three dollars fifty cents per watt and provide for no more than six kilowatts of energy.

(†+‡+§) (cc) For a system purchased and installed on or after July 1, 2015, and before January 1, 2018, the system shall cost no more than two dollars per watt and provide for no more than six kilowatts of energy.

(b)(i) The maximum amount of tax credits for leased systems which may be granted by the department for credits not granted prior to June 1, 2015, during Fiscal Year 2014-2015 shall be nineteen million dollars.

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

(aa) For tax credits claimed on returns filed on or after July 1, 2015, and before July 1, 2016, no more than ten million dollars of tax credits shall be granted.

(bb) For tax credits claimed on returns filed on or after July 1, 2016, and before July 1, 2017, no more than ten million dollars of tax credits shall be granted.

(cc) For tax credits claimed on returns filed on or after July 1, 2017, no more than five million dollars of tax credits shall be granted.

(iii) The granting of credits shall be on a first-come, first-served basis. If the total amount of credits applied for in any particular fiscal year exceeds the amount of tax credits authorized for that year, the excess shall be treated as having been applied for on the first day of the subsequent year. All requests received on the same business day shall be treated as received at the same time, and if the aggregate amount of the requests received on a single business day exceed the total amount of available tax credits, tax credits shall be approved on a pro rata basis. Beginning in
Fiscal Year 2015-2016, any claim or request for an allocation of credits under this Section shall be filed electronically.

(c) There shall be no tax credits authorized, issued, or granted as provided in this Paragraph for systems installed after December 31, 2017.

(3)(a) The purchase and installation of a system shall be eligible for a tax credit if the system services the electrical energy needs of the homeowner's primary residence.

(b) The cost of the system and installation shall not be financed by the Solar Installer or an Installer Affiliate.

C. As used in this Section:

* * *

(6) "System" means a solar electric or solar thermal system, or any combination of components thereof. The following types of equipment are specifically excluded: solar thermal energy system, solar air conditioning system, solar attic fan or ventilation system, solar powered light, solar day lighting apparatus, solar powered pool pump or heating system, solar gate operating system, all other stand alone devices, and other equipment further prohibited by administrative rule.

(7) "Installer Affiliate" means (a) any person who is the direct or indirect beneficial owner of any Solar Installer or Company; (b) any person who is related by blood or marriage to a person described in Subparagraph (a) of this Paragraph; (c) any entity directly, indirectly, nominally or beneficially owned by a Solar Installer or any person described in Subparagraphs (a) or (b) of this Paragraph, or in which such a person or entity has an economic interest; (d) any entity directly or indirectly owning, owned by, under common ownership with, or having any economic interest in any Solar Installer, Solar Company or any entity described in Subparagraphs (a), (b) or (c) of this Paragraph.

(8) "Solar Installer" means any person or business selling or installing solar improvements eligible for the generation of tax credits pursuant to La. R.S. 47:6030.

D. The provisions of this Subsection shall apply to all tax credits for purchase or lease and installation of a system authorized under this Section.
(1) The credit may be used in addition to any federal tax credits earned for the same system. However, a taxpayer shall not receive any other state tax credit, exemption, exclusion, deduction, or any other tax benefit for property for which the taxpayer has received a tax credit under this Section.

(2) (a) If a taxpayer purchases and installs a system at his own residence, the credit shall be claimed on the tax return only for the taxable year in which the system is completed and placed in service. If a taxpayer purchases a newly constructed home with a system already installed, the credit shall be claimed on the tax return only for the taxable year in which the act of sale occurred. Proof of system installation shall be provided with a claim for a tax credit.

(b) If a third-party taxpayer purchases a system for installation at another person's residence through a lease with the owner of the residence, the credit shall be claimed on the tax return for the taxable year in which the system is completed and placed in service. Proof of system installation shall be provided with a claim for a tax credit.

(3) To claim the credit, a taxpayer shall submit all of the following:

(a) Proof of system installation.

(b) A copy of a contract signed by the taxpayer demonstrating either full payment, with evidence of payment from cash on hand, or payment through financing obtained from a person other than the Solar Installer or an Installer Affiliate.

(c) The serial number, model number, and energy output for each solar panel installed.

(d) Department of Revenue Form R-1086, which shall contain the following sworn statements by the licensed dealer who sold or leased the system and the licensed installer who installed the system:

The undersigned is an authorized principal in ___________, is licensed by the Louisiana Board of Contractors as required by R.S. 47:6030, and certifies under penalty of law, particularly R.S. 14:202.2(A), that the system sold or leased to the homeowner of the residence located at _______________ has a total nameplate value
of ________ kilowatts, that no solar dealer, solar installer, or installer affiliate
financed the repayment obligations, and that a reasonable good faith belief exists that
the residence is eligible for the credit provided for in this Section in the amount
claimed on a Louisiana income tax return.

Dealer's Name (printed) __________________________
Dealer's Name (signature) __________________________

Dealer's Louisiana License Number __________________________

The undersigned is an authorized principal in ___________, is licensed by the
Louisiana Board of Contractors as required by R.S. 47:6030, is a licensed installer,
as required by R.S. 37:2156.3, and certifies under penalty of law, particularly R.S.
14:202.2(A), that the system installed at the residence located at _____________ has
a total nameplate value of ________ kilowatts.

Installer's Name (printed) __________________________
Installer's Name (signature) __________________________

Installer's Louisiana License Number __________________________

Date the installation of the energy system was completed and placed in service.

Notary Public __________________________

(e) Any other documentation required by administrative rule.

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F. Notwithstanding any other provision of law to the contrary, any excess of
allowable credit over the aggregate tax liabilities against which such credit may be
applied, as provided in this Section, shall constitute an overpayment, as defined in
R.S. 47:1621(A), and the secretary shall make a refund of such overpayment from
the current collections of the taxes imposed by Chapter 1, Chapter 2, Chapter 2-A,
Chapter 2-B, or Chapter 5 of Subtitle II of this Title, together with interest as
provided in R.S. 47:1624. The right to a credit or refund of any such overpayment
shall not be subject to the requirements of R.S. 47:1621(B). All credits and refunds,
together with interest thereof, must be paid or disallowed within one year of receipt

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by the secretary of any such claim for refund or credit. Failure of the secretary to
pay or disallow, in whole or in part, any claim for a credit or a refund shall entitle the
aggrieved taxpayer to proceed with the remedies provided in R.S. 47:1625.

However, the department may withhold payment of a solar energy systems tax credit
from a taxpayer if there are any existing state or federal liens, pending charges or
investigations, or third party claims against such taxpayer or any of its affiliates or
related parties. In such case, the department may withhold issuance of the tax credit
until the department has received documentation which satisfactorily demonstrates
that the matter has been resolved as determined by the secretary. For purposes of
administering the first-come, first-served requirement, the return of any taxpayer
whose claim for a tax credit is withheld for the aforementioned reasons shall be
treated as received on the date the secretary deems such matters resolved. The
secretary may exercise the right to withhold issuance of the tax credit for such
purposes for any return, regardless of tax year or date received. Further, the
secretary shall provide notice to the taxpayer upon determination that one or more
of the aforementioned factors is applicable and the taxpayer's claim for a tax credit
is being withheld.

Section 2. R.S. 47:6030(C)(5) is hereby repealed in its entirety.

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

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: ____________________

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