

Regular Session, 2013

ACT No. 428

HOUSE BILL NO. 705

BY REPRESENTATIVE PONTI

AN ACT

To amend and reenact R.S. 47:6030(A) through (D), and (F) and to enact R.S. 47:6030(B)(3) and (G), relative to tax credits; to repeal the tax credit for wind energy systems; to establish a tax credit for certain solar energy systems; to provide authorization for a credit against taxes in which the credit can be claimed; to provide the manner and time period in which the credit may be claimed; to provide for a refund of any credit in excess of the tax liability; to provide for the promulgation of rules and regulations; 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) through (D), and (F) are hereby amended and reenacted and R.S. 47:6030(B)(3) and (G) are hereby enacted to read as follows:

§6030. ~~Wind or solar~~ 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 wind energy system or solar energy electric system, a solar thermal system, or both any combination of components thereof, hereinafter collectively referred to as "system", by a taxpayer at his residence located in this state, by the owner of a residential rental apartment project, or by a taxpayer who purchases and installs such a system in a residence or a residential rental apartment project which is at a single-family residence located in Louisiana. The credit may be claimed in cases where the resident individual purchases is allowed if a newly constructed home with such a system already installed or where is purchased or if such a system is purchased and installed at an existing home, or where such systems are installed in new or existing apartment projects. Only one such tax credit shall be available for any eligible system. In addition to eligibility requirements provided in~~

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

18 (2) Notwithstanding the provisions of Paragraph (1) of this Subsection, any
19 system component purchased prior to July 1, 2013, may be incorporated into systems
20 that are placed in service prior to January 1, 2014, and such systems shall be eligible
21 for the credit authorized by this Section; provided that such credit shall not be
22 allowed for such system components unless the purchaser provides to the
23 Department of Revenue written documentation of the purchase of such system
24 components prior to July 1, 2013.

25 ~~B.(1) The credit~~ Purchased systems. The tax credit for the purchase and
26 installation of a system at a Louisiana residence or for a system which is already
27 installed in a newly constructed home located in Louisiana shall be equal to fifty
28 percent of the first twenty-five thousand dollars of the cost of each wind energy
29 system or solar energy a system; including installation costs; that is purchased and
30 installed on or after January 1, 2008, and before January 1, 2018. The credit may be

1 ~~used in addition to any federal tax credits earned for the same system. A taxpayer~~
2 ~~shall not receive any other state tax credit, exemption, exclusion, deduction, or any~~
3 ~~other tax benefit for property for which the taxpayer has received a tax credit under~~
4 ~~this Section. There shall be no tax credits authorized, issued, or granted as provided~~
5 ~~in this Paragraph for systems installed after December 31, 2017.~~

6 ~~(2) In the case of a taxpayer who purchases and installs such a system in a~~
7 ~~residence or a residential rental apartment project which is located in Louisiana, the~~
8 ~~tax credit shall be claimed on the return for the taxable year in which such system~~
9 ~~is completed and placed in service. In the case of a taxpayer who purchases a newly~~
10 ~~constructed home or newly constructed residential rental apartment project with such~~
11 ~~a system, the tax credit shall be claimed on the return for the taxable year in which~~
12 ~~the act of sale takes place.~~

13 ~~C. Notwithstanding any other provision of law to the contrary, any excess~~
14 ~~of allowable credit over the aggregate tax liabilities against which such credit may~~
15 ~~be applied, as provided in this Section, shall constitute an overpayment, as defined~~
16 ~~in R.S. 47:1621(A), and the secretary shall make a refund of such overpayment from~~
17 ~~the current collections of the taxes imposed by Chapter 1 or Chapter 5 of Subtitle II~~
18 ~~of this Title, together with interest as provided in R.S. 47:1624. The right to a credit~~
19 ~~or refund of any such overpayment shall not be subject to the requirements of R.S.~~
20 ~~47:1621(B). All credits and refunds, together with interest thereof, must be paid or~~
21 ~~disallowed within one year of receipt by the secretary of any such claim for refund~~
22 ~~or credit. Failure of the secretary to pay or disallow, in whole or in part, any claim~~
23 ~~for a credit or a refund shall entitle the aggrieved taxpayer to proceed with the~~
24 ~~remedies provided in R.S. 47:1625.~~

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

29 ~~(a) The tax credit shall be equal to fifty percent of the first twenty-five~~
30 ~~thousand dollars of the cost of purchase for a system installed before January 1,~~

1 2014. For a system installed on or after January 1, 2014, and before January 1, 2018,
2 the tax credit shall be equal to thirty-eight percent of the first twenty-five thousand
3 dollars of the cost of purchase.

4 (b) The purchase and installation of a system shall be eligible for a tax credit
5 under following circumstances:

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

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

12 (iii) For a system purchased and installed on or after July 1, 2015, and
13 before January 1, 2018, the system shall cost no more than two dollars per watt and
14 provide for no more than six kilowatts of energy.

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

17 ~~D.C.~~ As used in this Section:

18 (1) ~~"Wind energy system" means a system of apparatus and equipment with~~
19 ~~the primary purpose of intercepting and converting wind energy into mechanical or~~
20 ~~electrical energy and transferring this form of energy by a separate apparatus to the~~
21 ~~point of use or storage. "Cost of purchase" or "cost" means the reasonable and~~
22 ~~prudent costs for the equipment and installation of the solar electric or solar thermal~~
23 ~~systems. "Cost of purchase" or "cost" shall not include any lease management fee~~
24 ~~or any inducement to make a purchase, including but not limited to: rebates; prizes;~~
25 ~~gift certificates; trips; additional energy items or services, except energy audits~~
26 ~~offered at no charge to the purchaser; or any other thing of value given by a seller,~~
27 ~~installer, or equipment manufacturer as an inducement to buy a solar electric or solar~~
28 ~~thermal system.~~

29 (2) "Home" means a single-family detached dwelling. ~~"Solar energy~~
30 ~~system" means an energy system with the primary purpose of collecting or absorbing~~

~~sunlight for conversion into electricity or an energy system with the primary purpose of collecting or absorbing solar energy for conversion into heat for the purposes of space heating, space cooling, or water heating.~~

(3) "Solar electric system" means a system consisting of photovoltaic panels with the primary purpose of converting sunlight to electrical energy and all equipment and apparatus necessary to connect, store, and process the electrical energy for connection to and use by an electrical load. "Solar electric system" shall include grid-connected net metering systems with or without battery backup, stand-alone alternating current (AC) systems, and stand-alone direct current (DC) systems. The eligible system components for a solar electric system include the following:

(a) For grid-connected, net metering solar electric systems, the components include photovoltaic panels, mounting systems, inverters, charge controllers, batteries, battery cases, alternating current (AC) and direct current (DC) disconnects, lightning and ground fault protection, junction boxes, remote metering display devices, and related electrical wiring materials from the photovoltaic panels to point of interconnection with the residence or electrical load.

(b) For stand-alone solar electric AC systems, the components include photovoltaic panels, mounting systems, inverters, charge controllers, batteries, battery cases, AC and DC disconnects, lightning and ground fault protection, junction boxes, remote metering display devices, and related electrical wiring materials from the photovoltaic panels to point of interconnection with the residence or electrical load.

(c) For stand-alone solar electric DC systems, the components include photovoltaic panels, mounting systems, charge controllers, batteries, battery cases, DC disconnects, lightning and ground fault protection, junction boxes, remote metering display devices, and related electrical wiring materials from the photovoltaic panels to point of interconnection with the residence or electrical load.

(4) "Solar thermal system" means a system consisting of a solar energy collector with the primary purpose of converting sunlight to thermal energy and all devices and apparatus necessary to transfer and store the collected thermal energy

1 for the purposes of heating water, space heating, or space cooling. The eligible
2 system components for a solar thermal system include solar thermal collectors,
3 mounting systems, solar hot water storage tanks, timers, pumps, heat exchangers,
4 drain back tanks, expansion tanks, controllers, sensors, valves, freeze protection
5 devices, air elimination devices, photovoltaic panels for photovoltaic (PV) systems,
6 pipng, insulation, and other related materials from the solar thermal collectors to the
7 solar hot water storage tanks.

8 (5) "System" means a solar electric or solar thermal system, or any
9 combination of components thereof.

10 (6) "Residence" means a single-family detached dwelling.

11 D.(1) The credit may be used in addition to any federal tax credits earned for
12 the same system. However, a taxpayer shall not receive any other state tax credit,
13 exemption, exclusion, deduction, or any other tax benefit for property for which the
14 taxpayer has received a tax credit under this Section.

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

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

26 * * *

27 F. Notwithstanding any other provision of law to the contrary, any excess of
28 allowable credit over the aggregate tax liabilities against which such credit may be
29 applied, as provided in this Section, shall constitute an overpayment, as defined in
30 R.S. 47:1621(A), and the secretary shall make a refund of such overpayment from

1 the current collections of the taxes imposed by Chapter 1, Chapter 2, Chapter 2-A,
2 Chapter 2-B, or Chapter 5 of Subtitle II of this Title, together with interest as
3 provided in R.S. 47:1624. The right to a credit or refund of any such overpayment
4 shall not be subject to the requirements of R.S. 47:1621(B). All credits and refunds,
5 together with interest thereof, must be paid or disallowed within one year of receipt
6 by the secretary of any such claim for refund or credit. Failure of the secretary to
7 pay or disallow, in whole or in part, any claim for a credit or a refund shall entitle the
8 aggrieved taxpayer to proceed with the remedies provided in R.S. 47:1625.

9 F.G. The secretary of the Department of Revenue ~~in consultation with the~~
10 ~~secretary of the Department of Natural Resources~~ shall promulgate such rules and
11 regulations in accordance with the Administrative Procedure Act as may be
12 necessary to carry out the provisions of this Section. The rules and regulations shall
13 be promulgated within ninety days of the effective date of this Section.

14 Section 2. This Act shall become effective on July 1, 2013.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____