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## DIGEST

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HB 480 Original

2015 Regular Session

Jay Morris

**Abstract:** Reduces the amount of the refundable income tax credit for a solar energy system from 50% to 40% of the cost of a purchased system, and from 38% to 30% for a leased system, and changes the sunset date from Dec. 31, 2017, to Dec. 31, 2016.

### **Solar system purchased by the homeowner**

Present law provides a refundable income tax credit for the purchase and installation of a solar energy system at a La. residence, or for a system which is already installed in a newly constructed home located in La. The amount of the credit is equal to 50% of the first \$25,000 of the cost of a system purchased and installed on or after Jan. 1, 2008, and before Jan. 1, 2018. Authority for this tax credit sunsets on Dec. 31, 2017, with no credits authorized or granted for systems installed after that date.

Proposed law changes present law by reducing the amount of the credit from 50% to 40% of the cost of the system, and changes the date of the sunset for the program from Dec. 31, 2017, to Dec. 31, 2016.

### **Solar system purchased by a third party for lease to the homeowner**

Present law provides a refundable income tax credit for a solar energy system purchased and installed by a third party through a lease with the owner of the La. residence upon which it will be installed. For systems installed on or after Jan. 1, 2014, and before Jan. 1, 2018, the credit is equal to 38% of the first \$25,000 of the "cost of purchase". Further, the "cost of purchase" is limited as follows:

- (1) On or after July 1, 2013, and before July 1, 2014, the system shall cost no more than \$4.50 per watt.
- (2) On or after July 1, 2014, and before July 1, 2015, the system shall cost no more than \$3.50 per watt.
- (3) On or after July 1, 2015, and before Jan. 1, 2017, the system shall cost no more than \$2 per watt.

Proposed law changes present law by reducing the amount of the credit from 38% to 30% of the cost of the system, and changes the date of the sunset for the program from Dec. 31, 2017, to Dec. 31,

2016.

Proposed law is applicable to taxable periods beginning on and after Aug. 1, 2015.

Effective Aug. 1, 2015.

(Amends R.S. 47:6030(B)(1), (2)(intro. para.) and (a), (b)(iii), and (c))