
DIGEST

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HB 633 Original

2017 Regular Session

Thibaut

Abstract: Authorizes the carry forward of any excess credit amount in cases where a taxpayer's claim for the credit was denied based on the credit cap for FYs 2015-2016, 2016-2017, and 2017-2018.

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.

Present law establishes annual caps for both purchased systems and leased systems, beginning with FY 2015-2016, on the total amount of tax credits allowed on any return, regardless of tax year, as follows:

- (1) For tax credits claimed on returns filed on or after July 1, 2015, and before July 1, 2016, no more than \$10 million dollars.
- (2) For tax credits claimed on returns filed on or after July 1, 2016, and before July 1, 2017, no more than \$10 million dollars.
- (3) For tax credits claimed on a return filed on or after July 1, 2017, no more than \$5 million dollars.

Proposed law retains present law.

Present law provides that any excess amount of allowable credit over the taxpayer's aggregate tax liabilities shall constitute an overpayment, and the secretary shall make a refund of the overpayment, including interest within one year of receipt by the secretary of a claim for refund or credit. Further provides for specific circumstances in which the secretary may withhold payment of a solar energy systems tax credit.

Proposed law retains present law but authorizes an exception to the payment of refunds for cases in which the taxpayer's claim for a credit for a purchased or a leased system was denied based on the limitation on the amount of credits granted in FYs 2015-2016, 2016-2017, or 2017-2018. In these cases, a taxpayer shall be allowed to carry forward the amount of the tax credit that exceeds the taxpayer's tax liability for the year in which the credit is claimed as a credit against subsequent La. income tax liability for a period not to exceed five years.

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

(Amends R.S. 47:6030(F); Adds R.S. 47:6030(B)(1)(c)(v) and (2)(b)(iv))