

RÉSUMÉ DIGEST

ACT 413 (HB 187)

2017 Regular Session

Cromer

Existing 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

Existing law provides that for a system purchased by a homeowner before July 1, 2015, the amount of the tax credit is equal to 50% of the first \$25,000 of the system's cost. The amount of the tax credit for a system purchased and installed by a homeowner on or after July 1, 2015, and before Jan. 1, 2016, is the lesser of any of the following: 50% of the cost of purchase and installation, \$2 multiplied by the size of the system measured in direct current watts, or \$10,000.

Existing law establishes annual caps, beginning with FY 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.

New law provides that notwithstanding the limitation on the amount of credits that may be granted in a fiscal year under existing law, any taxpayer whose claim for a credit was denied or would have been denied for any portion of the original claim for a credit shall be granted the full amount of the credit for which the purchased solar energy system is eligible based on the original claim provided the claim relates to a solar energy system that was purchased and installed on or before Dec. 31, 2015.

New law prohibits the amendment of a tax credit claim concerning the date of purchase and installation of the solar energy system.

New law provides that for taxpayers whose claim would have been denied, an amended return claiming a tax credit for a system which was purchased and installed on or before Dec. 31, 2015, and which meets all other requirements of an eligible system shall be filed with the department before Sept. 1, 2017, in order to be eligible for payment of the tax credit. Further provides that for all claims, including those which were denied and which would have been denied, all supporting documentation necessary to constitute a complete and eligible claim shall be submitted to the department no later than Nov. 1, 2017, in order to be eligible for payment of the tax credit.

New law authorizes the payment of interest at the annual rate established in existing law to accrue beginning 90 days from Oct. 1st, of the year which relates to the fiscal year credit cap from which the credit or installment of credit is paid.

New law authorizes that credits for systems purchased before Dec. 31, 2015 that taxpayers did not receive due to the annual caps, be allowed in three equal parts over fiscal years 2017-2018 through 2019-2020 and not to exceed \$5 million per fiscal year, not including interest. However, if any taxpayer has a tax credit balance remaining at the end of FY 2019-2020, the balance may be claimed in FY 2020-2021. Further provides that the amounts authorized pursuant to the three-year payout shall be exclusive of any amounts granted pursuant to the amounts authorized pursuant to the tax credit cap for FY 2016-2017 and the allocation for claims submitted after July 1, 2017.

Prior law prohibited tax credits for systems installed on or after Jan. 1, 2018.

New law changes the sunset date of the credit for purchased systems from Jan. 1, 2018, to Jan. 1, 2016.

Leased system

Existing law regarding leased systems, authorizes credits for the purchase and installation of a system by a third-party through a lease with the owner of the residence. Provides that the credit equals 50% of the first \$25,000 for a system installed before Jan. 1, 2014.

Prior law provided that the amount of the credit for a system installed on or after Jan. 1, 2014, and before July 1, 2015, equaled 38% of the first \$20,000 of the cost of the purchase.

New law changes the amount of the credit for systems installed on or after Jan. 1, 2014, and before July 1, 2015, from 38% of the first \$20,000 of the cost of purchase to 38% of the first \$25,000 of the cost of purchase.

Existing law provides that the amount of the credit for a system installed on or after July 1, 2015, and before Jan. 1, 2018, equals 38% of the first \$20,000 of the cost of the purchase.

Effective upon signature of governor (June 26, 2017).

(Amends R.S. 47:6030(B)(1)(b)(intro. para.) and (d), and (2)(a)(i); Adds R.S. 47:6030(B)(1)(c)(v))