

Regular Session, 2011

SENATE BILL NO. 255

BY SENATOR WILLARD-LEWIS

TAX/TAXATION. Grants a refundable "residential energy efficiency tax credit for the qualified elderly" equal to 50% of up to \$25,000 of the total aggregate cost of qualifying residential energy efficient appliances, equipment, systems, or constructions that are purchased and installed in the residence of those 65 and older who are income-eligible. (gov sig)

AN ACT

To enact R.S. 47:6030.1, relative to tax credits; to grant an individual income tax credit or the cost of purchase, installation, or construction of certain residential energy efficient appliances, equipment, systems, or constructions for the residences of certain elderly people; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:6030.1 is hereby enacted to read as follows:

§6030.1 Residential energy efficiency tax credit for the qualified elderly

A.(1) There shall be a credit against individual income tax for the cost of purchase, construction, or installation of qualifying residential energy efficient appliances, equipment, systems, or constructions for the Louisiana residence of a qualified elderly person as provided for in this Section.

(2) The credit may be claimed in cases where the qualified elderly person purchases a newly constructed home with such appliances, equipment, systems, or constructions already installed or constructed, or where such appliances, equipment, systems, or constructions already installed or constructed are purchased, constructed, or installed at an existing home.

1 B.(1) The credit shall be equal to fifty percent of up to twenty-five
2 thousand dollars of the total aggregate cost of qualifying residential energy
3 efficient appliances, equipment, systems, or constructions, including installation
4 costs, that are purchased and installed in the Louisiana residence of a qualified
5 elderly person. The credit may be used in addition to any federal tax credits
6 earned for the same items. No taxpayer may receive more than twenty-five
7 thousand dollars of credit and a taxpayer shall not receive any other state tax
8 credit, exemption, exclusion, rebate or any other tax benefit for property or
9 services for which the taxpayer has received a tax credit under this Section.

10 (2) In the case of a taxpayer who purchases and installs or constructs
11 qualifying residential energy efficient appliances, equipment, systems, or
12 constructions in a residence the tax credit shall be claimed on the return for the
13 taxable year in which such appliances, equipment, systems, or constructions are
14 placed in service. In the case of a taxpayer who purchases a newly constructed
15 home with such appliances, equipment, systems, or constructions, the tax credit
16 shall be claimed on the return for the taxable year in which the act of sale takes
17 place.

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

D. As used in this Section:

(1) "Qualified elderly person" means an individual sixty-five years of age or older and who is a resident of Louisiana, if such individual's adjusted gross income would make the taxpayer eligible for the special assessment level provided for in Article VII, Section 18(G) of the Constitution of Louisiana for the tax year in which the credit is claimed.

(2) "Qualifying residential energy efficient appliances, equipment, systems, or constructions" means any appliances, equipment, systems, or constructions costing in excess of an aggregate total of two hundred dollars, the construction or installation of which will result in material savings in energy used for heating and cooling a Louisiana residence owned or rented and occupied by a qualified elderly person, all as determined by the Department of Natural Resources and initially set forth in rules and regulations adopted by the department pursuant to the Administrative Procedure Act by October 1, 2011, and as adopted thereafter. The term shall not include wind energy system or solar energy systems provided for in R.S. 47:6030.

Section 2. The provisions of this Act shall be applicable to tax years beginning on and after January 1, 2011.

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.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Riley Boudreaux.

DIGEST

Present law grants a refundable income tax credit equal to 50% of the first \$25,000 of the cost of purchase and installation of a "wind energy system" or a "solar energy system" in a residence or a residential rental apartment project which is located in the state. The credit may also be claimed in cases where a resident individual purchases a newly constructed home with such a system already installed or where such a system is purchased and installed at an existing home, or where such systems are installed in new or existing apartment

projects.

The tax credit must be claimed on the return for the taxable year in which the system is completed and placed in service or the year in which a newly constructed home or newly constructed residential rental apartment project with such a system is purchased.

Proposed law grants a similar refundable credit against individual income tax; the "residential energy efficiency tax credit for the qualified elderly". The credit is equal to 50% of up to \$25,000 of the total aggregate cost of "qualifying residential energy-efficient appliances, equipment, systems, or constructions", including installation costs, that are purchased and installed in the Louisiana residence of a "qualified elderly person".

The credit may be used in addition to any federal tax credits earned for the same items. No taxpayer may receive more than \$25,000 of credit and a taxpayer cannot receive any other state tax credit, exemption, exclusion, rebate or any other tax benefit for property or services for which the taxpayer has received the tax credit.

"Qualified elderly person" is defined as an individual 65 years of age or older who is a resident of Louisiana if such individual's adjusted gross income would make him eligible for the "special assessment level" provided for in Const. Art. VII, Sec. 18(G) (which freezes the appraised value of homesteads) for the tax year in which the credit is claimed. The eligibility amount for 2011 is \$65,891.43 as shown on the 2010 income tax return. It is adjusted annually by the Consumer Price Index as reported by the United States Government.

"Qualifying residential energy efficient appliances, equipment, systems, or constructions" is defined as any appliances, equipment, systems, or constructions costing in excess of an aggregate total of \$200, the construction or installation of which will result in material savings in energy used for heating and cooling a residence owned or rented and occupied by a "qualified elderly person", all as determined by the Department of Natural Resources and initially set forth in rules and regulations adopted by the department pursuant to the APA by October 1, 2011, and as adopted thereafter. The term does not include the "wind energy systems" or the "solar energy systems" for which a credit is now provided for in present law.

Applicable to tax years beginning on and after January 1, 2011.

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

(Adds R.S. 47:6030.1)