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

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## 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)