

Regular Session, 2011

SENATE BILL NO. 255

BY SENATOR WILLARD-LEWIS

TAX/TAXATION. Grants a refundable "residential energy efficiency tax credit" for 2012 and 2013 equal to 50% of the first \$25,000 of the aggregate cost of "qualifying residential energy efficient property" that is 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 property 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) For tax years beginning during 2012 and 2013, there shall be a credit against individual income tax for the cost of purchase, construction, or installation of qualifying residential energy efficient property 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 qualifying residential energy efficient property already installed or constructed, or where such qualifying property is purchased, constructed, or installed at an existing home.**

**B.(1) The credit shall be equal to fifty percent of up to twenty-five**

1 thousand dollars of the total aggregate cost of qualifying residential energy  
2 efficient property, including installation costs, that are purchased and installed  
3 in the Louisiana residence of a qualified elderly person. The credit may be used  
4 in addition to any federal tax credits earned for the same items. No taxpayer  
5 may receive more than twelve thousand five hundred dollars of credit pursuant  
6 to this Section per tax year and a taxpayer shall not receive any other state tax  
7 credit, exemption, exclusion, rebate or any other tax benefit for property or  
8 services for which the taxpayer has received a tax credit under this Section.

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

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

27 D. As used in this Section:

28 (1) "Qualified elderly person" means an individual sixty-five years of age  
29 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 property" means energy efficient refrigerators, freezers, clothes washers, dishwashers, tankless water heaters, storage water heaters, room air conditioners, central air conditioners, air source heat pumps, furnaces, exterior windows and exterior doors. All qualifying residential energy efficient property must have earned the Energy Star label. All qualifying residential energy efficient property must be installed at the Louisiana residence that is either owned and occupied or rented and occupied by a qualified elderly person. The term shall not include wind energy systems or solar energy systems provided for in R.S. 47:6030.

Section 2. 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.

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The original instrument was prepared by Riley Boudreaux. The following digest, which does not constitute a part of the legislative instrument, was prepared by Ann S. Brown.

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#### DIGEST

Willard-Lewis (SB 255)

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 for tax years beginning during 2012 and 2013; 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 property", 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 \$12,500 of credit per tax year 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 property" is defined as energy efficient refrigerators, freezers, clothes washers, dishwashers, tankless water heaters, storage water heaters, room air conditioners, central air conditioners, air source heat pumps, furnaces, exterior windows and exterior doors. All qualifying residential energy efficient property must have earned the Energy Star label. All qualifying residential energy efficient property must be installed at the Louisiana residence that is either owned and occupied or rented and occupied by a qualified elderly person. It does not include wind energy systems or solar energy systems.

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

(Adds R.S. 47:6030.1)

#### Summary of Amendments Adopted by Senate

##### Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill.

1. Changes the proposed law to specify the types of "residential energy efficient appliances, equipment, systems, or constructions" which are eligible for the credit as set forth in the Digest above and deletes the definition that defines such property as those 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 DNR to be forth in regulations adopted pursuant to the APA.
2. Authorizes the credit for 2 calendar years.

##### Senate Floor Amendments to engrossed bill.

1. Specifically names the type of appliances, equipment, systems, or construction materials which are eligible for the credit as set forth in proposed law.
2. Changes the requirement of the qualifying residential energy efficient property *from* must meet or exceed the Energy Star program requirements *to* must have earned the Energy Star label.
3. Technical corrections.