



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 255** SLS 11RS 623

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: June 11, 2011	10:05 AM	Author: WILLARD-LEWIS
Dept./Agy.: Revenue		
Subject: Tax Credit For Appliance Purchases By Elderly		Analyst: Greg Albrecht

TAX/TAXATIONRE DECREASE GF RV See NotePage 1 of 1

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

Provides a refundable tax credit for purchase, construction, or installation of qualifying residential energy efficient property for the Louisiana residence of qualifying elderly persons. The value of the tax credit is 50% of up to \$25,000 of total aggregate qualifying costs, limited to \$12,500 of tax credit per taxpayer per tax year. Qualifying persons are individuals 65 years old or older with adjusted gross income eligible for ad valorem tax special assessment (household income of \$65,891 for 2011). Qualifying property is enumerated in the bill (refrigerators, clothes washers, air conditioning, windows/doors etc.) and must have earned the Energy Star label.

Effective for two tax years beginning during 2012 and 2013.

EXPENDITURES	2011-12	2012-13	2013-14	2014-15	2015-16	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2011-12	2012-13	2013-14	2014-15	2015-16	5 -YEAR TOTAL
State Gen. Fd.	\$0	DECREASE	DECREASE	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Incorporation of an additional tax credit will require staff time and effort to modify tax processing systems. Typical costs indicated by the Department of Revenue in these cases is around \$20,000, depending on the complexity of the credit being added.

REVENUE EXPLANATION

A specific estimate of the potential costs of such a tax credit can not be determined with any reasonable degree of confidence. While the bill essentially reimburses taxpayers for up to \$12,500 of qualifying expenditures, it restricts eligibility to elderly taxpayers (65 years old and older) with household incomes under about \$66,000 (in 2011). The extent of qualifying purchases and then credit claims these households may make is speculative.

However, some sense of the state’s revenue exposure can be gotten by realizing that only 80 claims for the maximum \$12,500 would be necessary to generate \$1 million of state revenue loss. If average claims were only 10% the maximum (or \$1,250), it would take 800 claims to generate a \$1 million state revenue reduction. There were over 171,000 resident tax returns filed for tax year 2009 from taxpayers 65 years of age or older with income below \$66,000. Thus, only a very small percentage of these filers need file for this credit to generate a material amount of state tax revenue loss.

Senate	Dual Referral Rules	House	
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F)1 >= \$500,000 Annual Fiscal Cost {S}	<div>H. Gordon Monk</div> <div>H. Gordon Monk</div> <div>Legislative Fiscal Officer</div>
<input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}		<input type="checkbox"/> 6.8(F)2 >= \$100,000 Annual SGF Cost {H&S}	
		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	