

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 255** SLS 13RS 671

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action: **w/ HSE COMM AMD**

Proposed Amd.:

Sub. Bill For.:

Date: June 2, 2013	1:42 PM	Author: CLAITOR
Dept./Agy.: Revenue		Analyst: Deborah Vivien
Subject: Codifies the rule for solar credit allowing 1 system on apts		

TAX/TAXATION

EG1 SEE FISC NOTE GF RV

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Limits the solar energy systems tax credit to one for each residence or for each dwelling unit in a residential rental apartment project. (gov sig)

Current law provides a refundable income tax credit of 50% of the purchase and installation of a residential wind or solar system up to \$25,000 (\$12,500 in credits). The credit is allowed for single family and multi-family residence installations and is issued to the homeowner, installer, or a third party system lessor. The program cost is not capped and does not sunset. The credit is limited to one system per residence.

Proposed law retains current law and states that any combination of wind and/or solar system components will be allowed for each residence or dwelling unit in a residential apartment project, as long as the aggregate amount of tax credits do not exceed \$12,500, the current maximum credit. The cap is per residence or apartment project, regardless of the number of taxpayers claiming the credit.

EXPENDITURES	2013-14	2014-15	2015-16	2016-17	2017-18	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

The bill retains the \$25,000 cost cap (\$12,500 credit) for each residence or apartment project, though it allows a credit to apply to multiple wind and/or solar systems (only a single system is allowed under current law), as long as the aggregate credit does not exceed \$12,500. Since it appears that most system costs for credits granted were approaching \$25,000, adding multiple systems but applying the cost cap to the total cost of all systems combined is not expected to significantly impact the cost of the credit. However, to the extent that there is any impact, it will be a reduction in SGF as additional credits will be issued.

Presumably, limiting the credit to the existing cap per residence or apartment project, regardless of the number of taxpayers claiming the credit has no impact.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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