

Existing law authorizes an income tax credit for the purchase and installation of certain energy systems.

Prior law authorized an income tax credit (credit) for the purchase and installation of a wind energy system at a La. residence or residential apartment project.

New law eliminates the tax credit for wind energy systems and eliminates applicability of credits to apartment projects. New law retains the solar energy system tax credit provided for in prior law, with the following changes, but expands the credit to include both solar electric and solar thermal systems, or any combination of components thereof (hereinafter system).

Eligibility requirements for a system include the following: installation on the property of the residence to which the energy is delivered, sale and installation by a person who is licensed by the Louisiana State Licensing Board for Contractors, and the system be compliant with the requirements of the federal American Recovery and Reinvestment Act (ARRA). However, system components purchased prior to July 1, 2013, and placed in service prior to Jan. 1, 2014, are not subject to the foregoing requirements.

New law limits the credit to one per single-family residence.

New law defines "cost of purchase", "home", "residence", "solar electric system", and "solar thermal system".

Existing law authorizes a credit equal to 50% of the first \$25,000 of the cost of each solar energy system purchased and installed on or after Jan. 1, 2008.

New law establishes different criteria and credit amounts for a system which is purchased and installed in a home versus a system which is purchased by a third party and installed in a home through a lease agreement with the homeowner.

New law for a purchased system retains existing law but sunsets the authority for the granting of credits on Dec. 31, 2017.

New law for a system which is purchased and installed by a third party through a lease with the owner of the residence retains existing law for systems purchased and installed prior to Jan. 1, 2014. New law for systems installed on or after Jan. 1, 2014, and before Jan. 1, 2018, reduces the amount of the credit from 50% to 38% of the first \$25,000 of the cost of purchase, and by further limiting eligibility as follows:

- (1) On or after July 1, 2013, and before July 1, 2014, the system shall cost no more than \$4.50 per watt and provide for not more than 6 kilowatts of energy.
- (2) On or after July 1, 2014, and before July 1, 2015, the system shall cost no more than \$3.50 per watt and provides for not more than 6 kilowatts of energy.
- (3) On or after July 1, 2015, and before January 1, 2017, the system shall cost no more than \$2.00 per watt and provide for not more than 6 kilowatts of energy.

Existing law requires that a credit be claimed in the tax year in which the system is placed in service, or in the case of the purchase of a new home, the date of sale.

New law adds a requirement that proof of installation be provided with a claim for a credit.

Prior law required the secretary of the Dept. of Revenue, in consultation with the secretary of the Dept. of Natural Resources, to promulgate rules and regulations as may be necessary to carry out the provisions of law.

New law retains rulemaking authority for the Dept. of Revenue, but removes the requirement that the Dept. of Natural Resources be consulted.

Effective July 1, 2013.

(Amends R.S. 47:6030(A)-(D), and (F); Adds R.S. 47:6030(B)(3) and (G))

