DIGEST

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HB 817 Original | 2015 Regular Session | Broadwater

Abstract: Reduces the amount of the solar energy system tax credit for systems purchased and installed in certain homes from $25,000 to $20,000 and provides for various changes regarding system eligibility and requirements for the claiming of the credit.

Present law provides for a state income tax credit for the purchase and installation of a solar energy system on a La. residence. Credit requirements and benefits differ based on whether the system is purchased by the homeowner for installation at his residence, or if it is purchased by a third party for installation at another person's residence.

Purchased system

Present law provides that the amount of the tax credit for a system purchased by the homeowner is equal to 50% of the first $25,000 of system cost.

Proposed law reduces the amount of the credit from 50% of the first $25,000 of the system's cost to 50% of the first $20,000 of the system's cost.

Proposed law adds limitation for systems eligible for the tax credit to systems that provide for no more than six kilowatts of energy at a cost of no more than $2 per watt.

Present law defines a "solar energy system" eligible for the credit as a "solar electric system" or a "solar thermal system".

Proposed law repeals eligibility for a "solar thermal system" and adds exclusions for the following types of solar energy equipment: air conditioning, ventilation, lighting, pool equipment, gate systems, and other equipment as provided by administrative rule.

Present law provides generally for claiming the tax credit, including the requirement that the credit be claimed in the year in which the system is installed, or, if being claimed on a newly purchased home, in the year the home is bought.

Proposed law retains present law but adds a limitation that the credit be claimed only in the year in which the installation or home purchase took place. Proposed law prohibits the carryforward of any unused credit amount.

Proposed law requires the submission of proof of installation, serial number, model number, and energy output for each solar panel installed, and any other documentation by the department.

Leased system

Present law provides that the amount of the tax credit for a system purchased and installed by a third party through a lease with the owner of the residence is equal to 38% of the first $25,000 of the cost of purchase for a system that provides no more than six kilowatts of energy, with the following limitations:

(1) From July 1, 2013, through July 1, 2014, the system costs $4.50 per watt or less.

(2) From July 1, 2014, through July 1, 2015, the system costs $3.50 per watt or less.

(3) From July 1, 2015, through Jan. 1, 2017, the system costs $2.00 per watt or less.

Proposed law repeals present law provisions relative to leased systems installed prior to July 1, 2015, in favor of setting the amount of the credit for leased systems at 35% of the cost of a system purchased and installed on or after July 1, 2015, and before Jan. 1, 2018, provided the system costs no more than $2 per watt or provides no more than six kilowatts of energy.

Proposed law caps the total amount of tax credits granted for leased systems from July 1, 2015, through Dec. 31, 2015, at $10M. For calendar years 2016 and 2107, the total amount of tax credits granted for leased systems in any calendar year shall not exceed $20M. Requires the department to promulgate rules to establish a method of allocating tax credits. Authorizes unallocated tax credits in any calendar year to be carried forward to the next calendar year and added to the total amount of tax credits allocated for that year.

Applicable to any system installed on or after the effective date of this Act.

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

(Amends R.S. 47:6030(A)(1), (B), (C)(6), and (D))