

2015 Regular Session

HOUSE BILL NO. 480

BY REPRESENTATIVE JAY MORRIS

TAX/INCOME-CREDIT: Reduces the amount and duration of the refundable income tax credit for a solar energy system

1 AN ACT

2 To amend and reenact R.S. 47:6030(B)(1), (2)I(introductory paragraph) and (a), (b)(iii), and  
3 (c), relative to tax credits; to provide with respect to refundable income tax credits;  
4 to provide for the amount of the solar energy system tax credit; to provide for the  
5 sunset of the tax credit; to provide for applicability; to provide for effectiveness; and  
6 to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:6030(B)(1), (2)(introductory paragraph) and (a), (b)(iii), and (c)  
9 are hereby amended and reenacted to read as follows:

10 §6030. Solar energy systems tax credit

11 \* \* \*

12 B.(1) The tax credit for the purchase and installation of a system at a  
13 Louisiana residence or for a system which is already installed in a newly constructed  
14 home located in Louisiana shall be equal to ~~fifty~~ forty percent of the first twenty-five  
15 thousand dollars of the cost of a system that is purchased and installed on or after  
16 January 1, 2008, and before January 1, ~~2018~~ 2017. There shall be no tax credits  
17 authorized, issued, or granted as provided in this Paragraph for systems installed  
18 after December 31, ~~2017~~ 2016.

19 (2) Leased systems. Tax credits authorized under this Section for the  
20 purchase and installation of a system at a Louisiana residence by a third party

1 through a lease with the owner of the residence shall be subject to the following  
2 provisions:

3 (a) The tax credit shall be equal to fifty percent of the first twenty-five  
4 thousand dollars of the cost of purchase for a system installed before January 1,  
5 2014. For a system installed on or after January 1, 2014, and before January 1, ~~2018~~  
6 2017, the tax credit shall be equal to ~~thirty-eight~~ thirty percent of the first twenty-five  
7 thousand dollars of the cost of purchase.

8 (b) The purchase and installation of a system shall be eligible for a tax credit  
9 under following circumstances:

10 \* \* \*

11 (iii) For a system purchased and installed on or after July 1, 2015, and before  
12 January 1, ~~2018~~ 2017, the system shall cost no more than two dollars per watt and  
13 provide for no more than six kilowatts of energy.

14 (c) There shall be no tax credits authorized, issued, or granted as provided  
15 in this Paragraph for systems installed after December 31, ~~2017~~ 2016.

16 \* \* \*

17 Section 2. The provisions of this Act shall become effective August 1, 2015, and be  
18 applicable to taxable periods beginning on and after August 1, 2015.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 480 Original

2015 Regular Session

Jay Morris

**Abstract:** Reduces the amount of the refundable income tax credit for a solar energy system from 50% to 40% of the cost of a purchased system, and from 38% to 30% for a leased system, and changes the sunset date from Dec. 31, 2017, to Dec. 31, 2016.

**Solar system purchased by the homeowner**

Present law provides a refundable income tax credit for the purchase and installation of a solar energy system at a La. residence, or for a system which is already installed in a newly constructed home located in La. The amount of the credit is equal to 50% of the first \$25,000 of the cost of a system purchased and installed on or after Jan. 1, 2008, and before Jan. 1, 2018. Authority for this tax credit sunsets on Dec. 31, 2017, with no credits authorized or granted for systems installed after that date.

Proposed law changes present law by reducing the amount of the credit from 50% to 40% of the cost of the system, and changes the date of the sunset for the program from Dec. 31, 2017, to Dec. 31, 2016.

**Solar system purchased by a third party for lease to the homeowner**

Present law provides a refundable income tax credit for a solar energy system purchased and installed by a third party through a lease with the owner of the La. residence upon which it will be installed. For systems installed on or after Jan. 1, 2014, and before Jan. 1, 2018, the credit is equal to 38% of the first \$25,000 of the "cost of purchase". Further, the "cost of purchase" is limited 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.
- (2) On or after July 1, 2014, and before July 1, 2015, the system shall cost no more than \$3.50 per watt.
- (3) On or after July 1, 2015, and before Jan. 1, 2017, the system shall cost no more than \$2 per watt.

Proposed law changes present law by reducing the amount of the credit from 38% to 30% of the cost of the system, and changes the date of the sunset for the program from Dec. 31, 2017, to Dec. 31, 2016.

Proposed law is applicable to taxable periods beginning on and after Aug. 1, 2015.

Effective Aug. 1, 2015.

(Amends R.S. 47:6030(B)(1), (2)(intro. para.) and (a), (b)(iii), and (c))