

2015 Regular Session

HOUSE BILL NO. 779

BY REPRESENTATIVE PONTI

TAX CREDITS: Provides with respect to the solar energy systems tax credit

1 AN ACT

2 To amend and reenact R.S. 47:6030(A)(1), (B), (C)(6), and (D) and to repeal R.S.
3 47:6030(C)(5), relative to tax credits; to provide with respect to the solar energy
4 systems tax credit; to provide for the amount of the credit; to provide with respect
5 to eligibility for certain types of solar energy systems; to limit certain types of
6 financing for eligible systems; to provide with respect to the claiming of the credit;
7 to repeal the credit for leased systems; to provide for effectiveness; and to provide
8 for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 47:6030(A)(1), (B), (C)(6), and (D) are hereby amended and
11 reenacted to read as follows:

12 §6030. Solar energy systems tax credit

13 A.(1) There shall be a credit against the income tax for the cost of purchase
14 and installation of a solar electric system, ~~a solar thermal system~~, or any combination
15 of components thereof, hereinafter collectively referred to as "system", at a single-
16 family residence located in Louisiana. The credit is allowed if a newly constructed
17 home with such a system already installed is purchased or if such a system is
18 purchased and installed at an existing home. In addition to eligibility requirements
19 provided in Subsection B of this Section, to be eligible for a tax credit, the system
20 shall have been sold by and installed by a person who is licensed by the Louisiana

1 State Licensing Board for Contractors, and with respect to any system components
 2 purchased on or after July 1, 2013, the system shall be compliant with the
 3 requirements of the federal American Recovery and Reinvestment Act (ARRA),
 4 including but not limited to all major components such as the inverter, racking, and
 5 solar modules. Each eligible system shall be installed on the property of the
 6 residence to which the electrical, ~~mechanical, or thermal~~ energy is delivered. With
 7 respect to each residence, there shall be allowed only one tax credit for the purchase
 8 and installation of a system and no other tax credit is allowed for any other system
 9 installed at that residence. The provisions of this Section shall in no way be
 10 construed or interpreted to allow more than one tax credit authorized under this
 11 Section, including any tax credit claimed before July 1, 2013, for any residence.
 12 Once a tax credit authorized pursuant to this Section is claimed by a taxpayer for a
 13 particular system, ~~that same system shall not be eligible for any other tax credit at~~
 14 a residence, regardless of the credit amount claimed, there shall be no additional or
 15 subsequent tax credit authorized for installation of any equipment at that residence
 16 pursuant to this Section. If the residential property or system is sold, the taxpayer
 17 who claimed the tax credit shall disclose his use of the tax credit to the purchaser.

18 * * *

19 B.(1) The tax credit for the purchase and installation of a an eligible system
 20 at a Louisiana residence or for a system which is already installed in a newly
 21 constructed home located in Louisiana shall be subject to the following provisions:

22 (a) For a system purchased and installed on or after January 1, 2008, and
 23 before July 1, 2015, the amount of the credit shall be equal to fifty percent of the first
 24 twenty-five thousand dollars of the cost of the system.

25 (b) For a system purchased and installed on or after July 1, 2015, and before
 26 January 1, 2018, the tax credit shall be equal to the lesser of:

27 (i) Two dollars multiplied by the total size of the system as measured in DC
 28 watts;

29 (ii) Fifty percent of the cost of purchase and installation; or

1 (iii) Ten thousand dollars.

2 (c) There shall be no tax credits authorized, issued, or granted as provided
3 in this Paragraph Section for systems installed after December 31, 2017 on or after
4 January 1, 2018.

5 ~~(2) Leased systems. Tax credits authorized under this Section for the~~
6 ~~purchase and installation of a system at a Louisiana residence by a third party~~
7 ~~through a lease with the owner of the residence shall be subject to the following~~
8 ~~provisions:~~

9 ~~(a) The tax credit shall be equal to fifty percent of the first twenty-five~~
10 ~~thousand dollars of the cost of purchase for a system installed before January 1,~~
11 ~~2014. For a system installed on or after January 1, 2014, and before January 1, 2018,~~
12 ~~the tax credit shall be equal to thirty-eight percent of the first twenty-five thousand~~
13 ~~dollars of the cost of purchase.~~

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

16 ~~(i) For a system purchased and installed on or after July 1, 2013, and before~~
17 ~~July 1, 2014, the system shall cost no more than four dollars fifty cents per watt and~~
18 ~~provide for no more than six kilowatts of energy.~~

19 ~~(ii) For a system purchased and installed on or after July 1, 2014, and before~~
20 ~~July 1, 2015, the system shall cost no more than three dollars fifty cents per watt and~~
21 ~~provide for no more than six kilowatts of energy.~~

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

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

27 (a) The system services the electrical energy needs of the taxpayer's primary
28 residence.

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)]

HB 779 Engrossed

2015 Regular Session

Ponti

Abstract: Regarding the solar energy systems tax credit, for a purchased system, reduces the maximum value of the credit, and provides for various other changes regarding system eligibility and requirements for the claiming of the credit; repeals the credit for leased systems.

Present law provides for a state income tax credit for the purchase and installation of a solar energy system on a La. residence. The credit requirements and benefits differ based upon 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. Present law prohibits tax credits for systems installed after Dec. 31, 2017.

Proposed law retains present law for a system purchased and installed on or after Jan. 1, 2008 and before July 1, 2015.

Proposed law changes the maximum amount of the credit for a system purchased and installed on or after July 1, 2015, and before Jan. 1, 2018, by reducing the maximum credit amount to the lesser of any of the following: 50% of the cost of purchase and installation, or \$2.00 multiplied by the size of the system measured in DC watts, or \$10,000.

Proposed law imposes a 48 month limit on the length of time for which the cost of an eligible installed solar energy system may be financed.

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 with respect to the claiming of the tax credit, including the requirement that the credit be claimed in the year in which the system was installed, or, if being claimed on a newly purchased home, in the year in which the home was bought.

Proposed law retains present law but adds a limitation on the taking of the credit by prohibiting any additional solar energy system tax credits once a solar energy system tax credit, regardless of the amount, has been claimed on equipment for that residence.

Proposed law requires the submission of certain information by a taxpayer when claiming a credit. This includes proof of installation, information on the solar panels, the terms of any financing for the system, a sworn statement by the installer regarding the system size, and any other documentation that may be required by administrative rule.

Leased system

Present law provides that the amount of the tax credit for a system which is 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 authorizing tax credits for leased systems.

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); Repeals R.S. 47:6030(C)(5))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Add a prohibition on subsequent solar energy system tax credits for equipment installed at a residence once a solar energy system tax credit has been claimed for the same residence.
2. Retain the maximum credit amount for a system purchased and installed on or after Jan. 1, 2008 and before July 1, 2015.
3. Reduce the maximum credit amount for a system purchased and installed on or after July 1, 2015 and before Jan. 1, 2018, by changing the amount from 50% of a system valued at up to \$25,000 to the lesser of 50% of the purchase and installation costs, \$2.00 multiplied by the size of the system measured in DC watts, or \$10,000.
4. Delete the prohibition on any carry forward of credits.
5. Add a requirement for the submission of a sworn statement by the system installer as to the system size, such document to be submitted by the taxpayer when claiming the credit.