

2017 Regular Session

HOUSE BILL NO. 301

BY REPRESENTATIVE FOIL

TAX/INCOME-INDIV/CREDIT: Terminates the solar energy systems tax credit for purchased and leased systems and provides for the payment of claims for the tax credit for purchased systems

1 AN ACT

2 To amend and reenact R.S. 47:6030(B)(1)(b)(introductory paragraph), (c), and (d), and
3 (2)(introductory paragraph), (a)(i) and (ii)(cc), and (c), relative to tax credits; to
4 provide with respect to the solar energy systems tax credit; to provide for the
5 claiming of the credit on purchased systems; to repeal the limitation on the amount
6 of credits that may be granted in a certain year for purchased systems; to authorize
7 the payment of interest for certain tax credit claims; to provide for the termination
8 of the tax credit; to provide for effectiveness; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 47:6030(B)(1)(b)(introductory paragraph), (c), and (d), and
11 (2)(introductory paragraph), (a)(i) and (ii)(cc), and (c) are hereby amended and reenacted
12 to read as follows:

13 §6030. Solar energy systems tax credit

14 * * *

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

19 * * *

1 (b) For a system purchased and installed on or after July 1, 2015, and before
2 ~~January 1, 2018~~ July 1, 2017, the tax credit shall be equal to the least of:

3 * * *

4 (c) ~~Beginning in~~ In Fiscal Year 2015-2016 ~~and 2016-2017~~, the maximum
5 amount of tax credits for purchased systems which may be granted by the department
6 on any return, regardless of tax year, shall be as follows:

7 (i) For tax credits claimed on returns filed on or after July 1, 2015, and
8 before July 1, 2016, no more than ten million dollars of tax credits shall be granted.

9 (ii) For tax credits claimed on returns filed on or after July 1, 2016, and
10 before July 1, 2017, no more than ten million dollars of tax credits shall be granted.

11 (iii) ~~For tax credits claimed on a return filed on or after July 1, 2017, no~~
12 ~~more than five million dollars of tax credits shall be granted.~~ Notwithstanding the
13 provisions of Items (i) and (ii) of this Subparagraph, beginning July 1, 2017, any
14 taxpayer whose claim for a credit for a purchased system was denied based in whole
15 or in part on the limitation on the amount of credits granted in Fiscal Year 2015-2016
16 and 2016-2017, shall be granted the full amount of credit for which the system is
17 eligible based on the original claim, provided the claim meets all requirements of an
18 eligible system. Interest at the annual rate established pursuant to R.S. 13:4202 shall
19 be allowed to accrue beginning ninety days after July 1, 2017, for all payments of
20 credit claims which were previously denied based in whole or in part on the
21 limitation on the amount of credits granted in Fiscal Years 2015-2016 and 2016-
22 2017. There shall be no limitation on the amount of credits granted for systems
23 purchased and installed after July 1, 2015, and before July 1, 2017.

24 (iv) ~~The granting of credits shall be on a first-come, first-served basis. If the~~
25 ~~total amount of credits applied for in any particular fiscal year exceeds the amount~~
26 ~~of tax credits authorized for that year, the excess shall be treated as having been~~
27 ~~applied for on the first day of the subsequent year. All requests received on the same~~
28 ~~business day shall be treated as received at the same time, and if the aggregate~~
29 ~~amount of the requests received on a single business day exceed the total amount of~~

1 ~~available tax credits, tax credits shall be approved on a pro rata basis.~~ Beginning in
2 Fiscal Year 2015-2016 any claim or request for an allocation of credits under this
3 Section shall be filed electronically.

4 (d) There shall be no tax credits authorized, issued, or granted as provided
5 in this Section for systems installed on or after ~~January 1, 2018~~ July 1, 2017.

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

10 (a)(i) The tax credit shall be equal to fifty percent of the first twenty-five
11 thousand dollars of the cost of purchase for a system installed before January 1,
12 2014. For a system installed on or after January 1, 2014, and before ~~January 1, 2018~~
13 July 1, 2017, the tax credit shall be equal to thirty-eight percent of the first twenty
14 thousand dollars of the cost of purchase.

15 (ii) The purchase and installation of a system shall be eligible for a tax credit
16 during these periods under the following circumstances:

17 * * *

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

21 * * *

22 (c) There shall be no tax credits authorized, issued, or granted as provided
23 in this Paragraph for systems installed ~~after December 31, 2017~~ on or after July 1,
24 2017.

25 * * *

26 Section 2. This Act shall become effective upon signature by the governor or, if not
27 signed by the governor, upon expiration of the time for bills to become law without signature
28 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If

1 vetoed by the governor and subsequently approved by the legislature, this Act shall become
2 effective on the day following such approval.

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 301 Original

2017 Regular Session

Foil

Abstract: Terminates the solar energy systems tax credit for both purchased and leased systems on June 30, 2017, and removes the cap on the payment of tax credits claimed for eligible 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 for a system purchased by a homeowner before July 1, 2015, the amount of the tax credit is equal to 50% of the first \$25,000 of the system's cost. The amount of the tax credit for a system purchased and installed by a homeowner on or after July 1, 2015, and before Jan. 1, 2018, is the lesser of any of the following: 50% of the cost of purchase and installation, \$2 multiplied by the size of the system measured in direct current watts, or \$10,000.

Proposed law retains present law.

Present law establishes annual caps, beginning with FY 2016, on the total amount of tax credits allowed on any return, regardless of tax year, as follows:

- (1) For tax credits claimed on returns filed on or after July 1, 2015, and before July 1, 2016, no more than \$10 million dollars.
- (2) For tax credits claimed on returns filed on or after July 1, 2016, and before July 1, 2017, no more than \$10 million dollars.
- (3) For tax credits claimed on a return filed on or after July 1, 2017, no more than \$5 million dollars.

Proposed law repeals the cap restrictions for purchased systems and provides that there shall be no limitation on the amount of credits granted for systems purchased and installed after July 1, 2015, and before July 1, 2017. Further provides that beginning July 1, 2017, any credit claim for a purchased system that was denied based in whole or in part on the limitation on the amount of credits granted in FY 2016 and 2017 shall be granted the full amount of credit for which the systems were eligible based on the original claim, provided the claim meets all requirements of an eligible system.

Proposed law further authorizes the payment of interest at the annual rate established in present law beginning 90 days after July 1, 2017, for all payments of credit claims which were previously denied based in whole or in part on the limitation on the amount of credits granted in FY 2016 and 2017.

Present law prohibits tax credits for systems installed after Dec. 31, 2017.

Proposed law changes the sunset date of the credit for purchased systems from Dec. 31, 2017 to June 30, 2017.

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 for a system installed after Jan. 1, 2014, is equal to 38% of the first \$20,000 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 per watt or less.

Present law establishes annual caps, beginning with FY 2016, on the total amount of tax credits allowed on any return, regardless of tax year, as follows:

- (1) For tax credits claimed on returns filed on or after July 1, 2015, and before July 1, 2016, no more than \$10 million of tax credits.
- (2) For tax credits claimed on returns filed on or after July 1, 2016, and before July 1, 2017, no more than \$10 million of tax credits.
- (3) For tax credits claimed on returns filed on or after July 1, 2017, no more than \$5 million of tax credits.

Proposed law retains present law as it relates to the annual caps for leased systems.

Present law prohibits tax credits for leased systems installed after Dec. 31, 2017.

Proposed law changes the sunset date of the credit for leased systems from Dec. 31, 2017 to June 30, 2017.

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

(Amends R.S. 47:6030(B)(1)(b)(intro. para.), (c), and (d), and (2)(intro. para.), (a)(i) and (ii)(cc), and (c))