

2015 Regular Session

HOUSE BILL NO. 428

BY REPRESENTATIVE JACKSON

TAX CREDITS: Provides for the carryforward rather than the refund of the tax credit for solar energy systems

1 AN ACT

2 To amend and reenact R.S. 47:6030(F), relative to income tax credits; to provide with  
3 respect to the tax credit for solar energy systems; to provide with respect to  
4 authorization for issuance of refunds for tax credits which exceed taxpayer tax  
5 liability; to provide for certain limitations; to provide for effectiveness; and to  
6 provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:6030(F) is hereby amended and reenacted to read as follows:

9 §6030. Solar energy systems tax credit

10 \* \* \*

11 F. ~~Notwithstanding any other provision of law to the contrary, any excess of~~  
12 ~~allowable credit over the aggregate tax liabilities against which such credit may be~~  
13 ~~applied, as provided in this Section, shall constitute an overpayment, as defined in~~  
14 ~~R.S. 47:1621(A), and the secretary shall make a refund of such overpayment from~~  
15 ~~the current collections of the taxes imposed by Chapter 1, Chapter 2, Chapter 2-A,~~  
16 ~~Chapter 2-B, or Chapter 5 of Subtitle II of this Title, together with interest as~~  
17 ~~provided in R.S. 47:1624. The right to a credit or refund of any such overpayment~~  
18 ~~shall not be subject to the requirements of R.S. 47:1621(B). If the amount of the~~  
19 ~~credit exceeds the amount of tax liability for the tax year, then any unused credit may~~  
20 ~~be carried forward as a credit against subsequent income tax for a period not to~~  
21 ~~exceed five years. All credits and refunds, together with interest thereof, must be~~  
22 paid or disallowed within one year of receipt by the secretary of any such claim for

1           ~~refund or~~ claim for a credit. Failure of the secretary to pay or disallow, in whole or  
2           in part, any claim for a credit ~~or a refund~~ shall entitle the aggrieved taxpayer to  
3           proceed with the remedies provided in R.S. 47:1625.

4   \*           \*           \*

5           Section 2. The provisions of this Act shall be applicable to tax years beginning on  
6           or after January 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 428 Original

2015 Regular Session

Jackson

**Abstract:** Changes the tax credit for the cost of purchase and installation of certain solar energy systems from a refundable credit to a credit in which amounts of the credit above the tax liability may be carried forward and applied against subsequent tax liability for up to five years.

Present law provides for an income tax credit for the cost of purchase and installation of a solar electric system or a solar thermal system at a single-family residence in this state. The credit is allowed for newly constructed homes with a system already installed or for a system purchased and installed at an existing home.

Present law provides that the amount of the credit for a system purchased and installed at a newly constructed or existing home shall be equal to 50% of the first \$25,000 of the cost of a system purchased and installed on or after Jan. 1, 2008, but before Jan. 1, 2018. The amount of the credit for leased systems ranges from 50% to 38% of the first \$25,000 of the cost of purchase of the system depending on the date the system is installed.

Present law provides that the taxpayer is entitled to a refund for any allowable credit which exceeds the aggregate tax liability of the taxpayer. Further requires the Dept. of Revenue to refund the excess tax credit amount to the taxpayer from current tax collections and to pay or disallow claims for credits, refunds, and interest within one year of receiving a tax credit or refund claim.

Proposed law changes the tax credit from a refundable credit to one in which credit amounts which exceed taxpayer liability may be carried forward against subsequent income or corporation franchise tax liability for up to five years. Proposed law removes references to refunds and interest from the requirement that the secretary pay tax credit amounts within one year of receipt of the tax credit claim.

Present law prohibits credits from being issued for systems installed after Dec. 31, 2017.

Proposed law retains present law.

Applicable to tax years beginning on or after Jan. 1, 2015.

(Amends R.S. 47:6030(F))