

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 288** HLS 17RS 1035

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 14, 2017	5:08 PM	Author: TALBOT
Dept./Agy.: Revenue		Analyst: Greg Albrecht
Subject: Solar Energy System Tax Credit		

TAX CREDITS OR -\$15,700,000 GF RV See Note Page 1 of 1
Provides for the payment of certain claims for the solar energy systems tax credit and authorizes the payment of interest under certain circumstances

Proposed law authorizes payment of credit claims on eligible solar systems purchased and installed before December 31, 2015 that were previously denied due to the annual caps on the amount of credits that could be paid. Interest is to accrue starting 90-days after July 1, 2017.

Effective upon governor's signature.

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	(\$15,700,000)	\$0	\$0	\$0	\$0	(\$15,700,000)
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	(\$15,700,000)	\$0	\$0	\$0	\$0	(\$15,700,000)

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

The Dept. of Revenue indicates that there are 1,290 denied claims for solar systems purchased and installed before December 31, 2015. Verified claims (423) total \$4.8 million of credits. Unverified claims (606) total \$7.6 million of credits at the maximum allowed per claim of \$12,500, but it is possible that some of these claims would only be eligible for \$10,000 of credit depending upon the actual install date. Undocumented claims (261) total \$3.3 million at a maximum per claim of \$12,500 or \$2.6 million at the \$10,000 per claim maximum depending on install date. Thus, the state's exposure to these claims ranges from \$13.5 million to \$15.7 million. Maximum revenue loss exposure is displayed in the table above, but does not include any interest cost if refunds to these taxpayers are made 90-days after July 1, 2017.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

John D. Carpenter
Legislative Fiscal Officer