
The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Leonore Heavey.

DIGEST

SB 228 Engrossed

2019 Regular Session

Claitor

Proposed law authorizes individual income tax credits for purchases of certain water saving equipment installed at the individual's residence located in this state beginning January 1, 2020:

- (1) High efficiency toilet – up to \$50 per toilet up to three per taxpayer.
- (2) High efficiency washing machine – up to \$100 per washing machine limited to one per taxpayer.
- (3) Weather based irrigation controller – up to \$100 per controller limited to one per taxpayer.
- (4) Storm water runoff collection systems – up to \$25 for rain barrels or cisterns less than 200 gallons, up to \$100 for systems with capacities between 200 and 1,000 gallons, and up to \$200 for capacities over 1,000 gallons limited to one per taxpayer.

Proposed law provides that the credit amounts for the purchase of water saving equipment will be doubled if the individual resides in an area of groundwater concern.

Proposed law limits all tax credits to no more than the purchase price of the water saving equipment.

Proposed law provides definitions for the water saving equipment eligible for the credit:

- (1) "High efficiency toilet" means a new toilet that is included on the EPA's WaterSense products list on the date the toilet is purchased.
- (2) "High efficiency washing machine" means a new high efficiency washing machine listed on the EPA's Energy Star qualified high efficiency washing machines product list on the date the washing machine is purchased.
- (3) "Storm water runoff collection system" means a new rain barrel or cistern used to collect, store, and reuse rainwater for landscaping and other residential water purposes.
- (4) "Weather based irrigation controller" means new signal based or sensor based smart irrigation controller listed on the EPA's approved WaterSense controller list.

Proposed law authorizes the credit to be used against individual income tax in the tax year in which the equipment is purchased and installed.

Proposed law authorizes a one-year carryover of the credit if the credit exceeds the taxpayer's tax

liability in the year earned.

Proposed law requires taxpayers to apply to the Department of Revenue to receive a credit for the purchase of water saving equipment and provides that the department will issue a certification letter to the taxpayer once all documentation related to the credit has been reviewed and verified.

Proposed law places a \$2 million annual cap on the total credits the Department of Revenue can issue during any year and provides that any credits in excess of the cap shall be treated as applied for on the first day of the following year.

Proposed law provides that no credit shall be allowed for purchases of water saving equipment after Dec. 31, 2025.

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

(Adds R.S. 47:297.14)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Changes eligibility for tax credits from a per residence basis to a per taxpayer basis.
2. Limits maximum amount of tax credits for each item to the purchase price of that item.
3. Provides for a certification process for the tax credit.
4. Adds a sunset date.
5. Makes technical corrections.