
DIGEST

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Ponti

HB No. 705

Abstract: Repeals the tax credit for wind energy systems; converts the solar energy system credit to a solar electric system credit and authorizes a credit for solar thermal systems.

Present law authorizes a tax credit for the purchase and installation of a wind or solar energy system.

Proposed law repeals the tax credit for wind energy systems and changes the tax credit for solar energy systems to a tax credit for solar electric systems. Proposed law also authorizes a tax credit for solar thermal systems.

Present law authorizes tax credits against La. income taxes for the cost of purchase and installation of a wind energy system or solar energy system, or both, by a taxpayer at his La. residence, by the owner of a residential rental apartment project, or by a taxpayer who purchases and installs such a system in a La. residence or a residential rental apartment project. Present law further authorizes a tax credit for the purchaser of a newly constructed home with such a system already installed or where such a system is purchased and installed at an existing home or apartment project.

Proposed law repeals the tax credit for installations in a residential rental apartment project.

Proposed law provides that a tax credit shall be limited to either one for a solar electric system or one for a solar thermal system.

Present law authorizes a credit equal to 50% of the first \$25,000 of the cost of each solar energy system purchased and installed on or after Jan. 1, 2008.

Proposed law retains present law but sunsets provisions of present law relative to the amount of the solar electric system tax credit on Dec. 31, 2016.

Proposed law authorizes a solar electric system tax credit equal to 35% of the first \$25,000 of the cost of purchase and installation of a solar electric system between Jan. 1, 2017, and Dec. 31, 2020. The credit shall not exceed the lesser of the 12-month average of the previous calendar year of energy needs of the residence, or the number of kilowatts, up to 12 kilowatts, installed at a single residence at a cost basis of \$4.50 per watt.

Proposed law authorizes a solar thermal system tax credit equal to 50% of the first \$10,000 of the

cost of purchase and installation of a solar thermal system between Jan. 1, 2013, and Dec. 31, 2016. The credit shall not exceed \$10,000 or a cost basis of \$4.50 per BTU equivalent watt for a single residence.

Proposed law changes the amount of the credit for a solar thermal system from 50% to 35% of the first \$10,000 of the cost of systems purchases and installed between Jan. 1, 2017, and Dec. 31, 2020.

Proposed law provides that the cost of purchase shall be reduced by the fair market value of any rebate or incentive received as an inducement to purchase a solar electric or solar thermal system.

Present law provides that, in the case of a taxpayer who purchases and installs a system in a residence or a residential rental apartment project which is located in La., the tax credit shall be claimed on the return for the taxable year in which such system is completed and placed in service. In the case of a taxpayer who purchases a newly constructed home, the tax credit shall be claimed on the return for the taxable year in which the act of sale takes place.

Proposed law defines "cost of purchase", "solar energy system", "solar electric system", and "solar thermal system".

Present law requires the secretary of the Dept. of Revenue, in consultation with the secretary of the Dept. of Natural Resources, to promulgate such rules and regulations as may be necessary to carry out the provisions of present law.

Proposed law retains present law regarding the Dept. of Revenue, but repeals rulemaking authority for the Dept. of Natural Resources.

Proposed law provides that nothing in proposed law shall affect any claim, assessment, appeal, suit, right, or cause of action for taxes or refunds due or accrued under the income tax laws of this state before the date on which proposed law becomes effective.

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

(Amends R.S. 47:6030)

Summary of Amendments Adopted by House

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

1. Limited the maximum amount of solar thermal system tax credit to the lesser of the 12-month average of the previous calendar year's energy needs of the residence, or the number of kilowatts, up to 12 kilowatts, installed at a single residence at a cost basis of \$4.50 per watt.

2. Limited the maximum amount of solar thermal system tax credit to \$10,000 or a cost basis of \$4.50 per BTU equivalent watt for a single residence.