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

DIGEST

Riser (SB 632)

Present law authorizes a refundable income tax credit for the cost of purchase and installation of certain solar electric systems or solar thermal systems.

Proposed law requires the secretary of the Department of Revenue to establish the "Solar Credit Secured Refund Pilot Program". The program will allow a taxpayer, or a group of taxpayers, who are eligible to receive a solar energy systems tax credit refund to authorize all or a portion of any refund to which he or they may be entitled to in a specific tax year or years whether by reason of the solar credit or any other provision of law to be paid directly to a properly secured third party lender.

The program is effective on a date selected by the secretary, but no later than January 1, 2015.

The program is available only for a lender who will be entitled to be paid a refund, or a group of refunds, whose aggregate amount is reasonably likely to be \$500,000 or more as determined by the secretary after review according to program guidelines of documentation submitted by such lender.

Proposed law sets out certain requirements for the program including a requirement that sufficient documentation be provided to the secretary to determine that the lender does, in fact, have a security interest in all or a portion of the refund or refunds to which the taxpayer is lawfully entitled whether by reason of the solar credits or any other provision of law through a properly executed security instrument or agreement, the types of instruments or agreements acceptable to be set forth in regulations.

Proposed law provides that any refund secured pursuant to the program is subject to any offset or reduction authorized or required by law and the lender has only the right to the refund which would otherwise be due to the taxpayer and no more. If the amount of the refund is less than the amount secured by the lender, the Department of Revenue is not responsible for the deficiency.

Proposed law requires the program to be set forth in proposed regulations which must be submitted to both the Senate Revenue and Fiscal Affairs and House Ways and Means by October 31, 2014, for their oversight pursuant to the APA.

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

(Adds R.S. 47:1628)