DIGEST

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HB 779 Original | 2015 Regular Session | Ponti

Abstract: Regarding the solar energy systems tax credit, for a purchased system, reduces the maximum value of a system eligible for the credit from $25,000 to $20,000 and provides for various other changes regarding system eligibility and requirements for the claiming of the credit; repeals the credit for leased systems.

Present law provides for a state income tax credit for the purchase and installation of a solar energy system on a La. residence. The credit requirements and benefits differ based upon whether the system is purchased by the homeowner for installation at his residence, or if it is purchased by a third party for installation at another person's residence.

Purchased system

Present law provides that the amount of the tax credit for a system purchased by the homeowner is equal to 50% of the first $25,000 of system cost.

Proposed law reduces the maximum amount of the credit from 50% of the first $25,000 of the system's cost to 50% of the first $20,000 of the system's cost.

Proposed law adds the following requirements for an eligible system: the maximum system size is 8 kilowatts of energy at a cost of no more than $2 per watt, and any financing for the system purchase shall not exceed 48 months.

Present law defines a "solar energy system" eligible for the credit as a "solar electric system" or a "solar thermal system".

Proposed law repeals eligibility for a "solar thermal system" and adds exclusions for the following types of solar energy equipment: air conditioning, ventilation, lighting, pool equipment, gate systems, and other equipment as provided by administrative rule.

Present law provides generally with respect to the claiming of the tax credit, including the requirement that the credit be claimed in the year in which the system was installed, or, if being claimed on a newly purchased home, in the year in which the home was bought.

Proposed law retains present law but adds a limitation on the taking of the credit by requiring that the credit be claimed only in the year in which the installation or home purchase took place. Proposed law prohibits the carryforward of any unused credit amount.

Proposed law requires the submission of certain information by a taxpayer when claiming a credit. This includes proof of installation, information on the solar panels, the terms of any financing for the system, and any other documentation that may be required by administrative rule.

Leased system

Present law provides that the amount of the tax credit for a system which is purchased and installed by a third party through a lease with the owner of the residence is equal to 38% of the first $25,000 of the cost of purchase for a system that provides no more than six kilowatts of energy, with the following limitations:

(1) From July 1, 2013, through July 1, 2014, the system costs $4.50 per watt or less.

(2) From July 1, 2014, through July 1, 2015, the system costs $3.50 per watt or less.

(3) From July 1, 2015, through Jan. 1, 2017, the system costs $2.00 per watt or less.

Proposed law repeals present law authorizing tax credits for leased systems.

Applicable to any system installed on or after the effective date of this Act.

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

(Amends R.S. 47:6030(A)(1), (B), (C)(6), and(D))