

ACT No. 131

2015 Regular Session

HOUSE BILL NO. 779

BY REPRESENTATIVE PONTI

1 AN ACT

2 To amend and reenact R.S. 47:6030(A)(1), (B), (C)(6), (D), and (F), and to enact R.S.
3 47:6030(C)(7) and (8), and to repeal R.S. 47:6030(C)(5), relative to tax credits; to
4 provide with respect to the solar energy systems tax credit; to provide for the amount
5 of the credit; to provide for a limitation on the amount of certain credits which may
6 be claimed in a calendar year; to provide for definitions; to provide with respect to
7 eligibility for certain types of solar energy systems; to limit certain types of financing
8 for eligible systems; to provide with respect to the claiming of the credit; to provide
9 for effectiveness; and to provide for related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 47:6030(A)(1), (B), (C)(6), (D), and (F) are hereby amended and
12 reenacted and R.S. 47:6030(C)(7) and (8) are hereby enacted to read as follows:

13 §6030. Solar energy systems tax credit

14 A.(1) There shall be a credit against the income tax for the cost of purchase
15 and installation of a solar electric system, ~~a solar thermal system, or any combination~~
16 ~~of components thereof, hereinafter collectively~~ hereinafter referred to as "system",
17 at a single-family residence located in Louisiana. The credit is allowed if a newly
18 constructed home with such a system already installed is purchased or if such a
19 system is purchased and installed at an existing home. In addition to eligibility
20 requirements provided in Subsection B of this Section, to be eligible for a tax credit,
21 the system shall have been sold by and installed by a person who is licensed by the
22 Louisiana State Licensing Board for Contractors, and with respect to any system
23 components purchased on or after July 1, 2013, the system shall be compliant with
24 the requirements of the federal American Recovery and Reinvestment Act (ARRA),
25 including but not limited to all major components such as the inverter, racking, and

1 solar modules. Each eligible system shall be installed on the property of the
 2 residence to which the electrical, ~~mechanical, or thermal~~ energy is delivered. With
 3 respect to each residence, there shall be allowed only one tax credit for the purchase
 4 and installation of a system and no other tax credit is allowed for any other system
 5 installed at that residence. The provisions of this Section shall in no way be
 6 construed or interpreted to allow more than one tax credit authorized under this
 7 Section, including any tax credit claimed before July 1, 2013, for any residence.
 8 Once a tax credit authorized pursuant to this Section is claimed by a taxpayer for a
 9 particular system, ~~that same system shall not be eligible for any other tax credit at~~
 10 a residence, regardless of the credit amount claimed, there shall be no additional or
 11 subsequent tax credit authorized for installation of any equipment at that residence
 12 pursuant to this Section. If the residential property or system is sold, the taxpayer
 13 who claimed the tax credit shall disclose his use of the tax credit to the purchaser.

14 * * *

15 B.(1) Purchased systems. The tax credit for the purchase and installation of
 16 a an eligible system at a Louisiana residence or for a system which is already
 17 installed in a newly constructed home located in Louisiana shall be subject to the
 18 following provisions:

19 (a) For a system purchased and installed on or after January 1, 2008, and
 20 before July 1, 2015, the amount of the credit shall be equal to fifty percent of the first
 21 twenty-five thousand dollars of the cost of ~~the system.~~ of a the system ~~that is~~
 22 purchased and installed on or after January 1, 2008, and before January 1, 2018.

23 (b) For a system purchased and installed on or after July 1, 2015, and before
 24 January 1, 2018, the tax credit shall be equal to the least of:

25 (i) Two dollars multiplied by the total size of the system as measured in DC
 26 watts.

27 (ii) Fifty percent of the cost of purchase and installation.

28 (iii) Ten thousand dollars.

1 (c) Beginning in Fiscal Year 2015-2016, the maximum amount of tax credits
 2 for purchased systems which may be granted by the department on any return,
 3 regardless of tax year, shall be as follows:

4 (i) For tax credits claimed on returns filed on or after July 1, 2015, and
 5 before July 1, 2016, no more than ten million dollars of tax credits shall be granted.

6 (ii) For tax credits claimed on returns filed on or after July 1, 2016, and
 7 before July 1, 2017, no more than ten million dollars of tax credits shall be granted.

8 (iii) For tax credits claimed on a return filed on or after July 1, 2017, no
 9 more than five million dollars of tax credits shall be granted.

10 (iv) The granting of credits shall be on a first-come, first-served basis. If the
 11 total amount of credits applied for in any particular fiscal year exceeds the amount
 12 of tax credits authorized for that year, the excess shall be treated as having been
 13 applied for on the first day of the subsequent year. All requests received on the same
 14 business day shall be treated as received at the same time, and if the aggregate
 15 amount of the requests received on a single business day exceed the total amount of
 16 available tax credits, tax credits shall be approved on a pro rata basis. Beginning in
 17 Fiscal Year 2015-2016 any claim or request for an allocation of credits under this
 18 Section shall be filed electronically.

19 (d) There shall be no tax credits authorized, issued, or granted as provided
 20 in this ~~Paragraph~~ Section for systems installed ~~after December 31, 2017~~ on or after
 21 January 1, 2018.

22 (2) Leased systems. Tax credits authorized under this Section for the
 23 purchase and installation of a system at a Louisiana residence by a third party
 24 through a lease with the owner of the residence shall be subject to the following
 25 provisions:

26 (a) (i) The tax credit shall be equal to fifty percent of the first twenty-five
 27 thousand dollars of the cost of purchase for a system installed before January 1,
 28 2014. For a system installed on or after January 1, 2014, and before ~~July 1, 2015~~
 29 January 1, 2018, the tax credit shall be equal to thirty-eight percent of the first
 30 ~~twenty-five~~ twenty thousand dollars of the cost of purchase.

1 ~~(b)~~ (ii) The purchase and installation of a system shall be eligible for a tax
2 credit during these periods under the following circumstances:

3 ~~(i)~~ (aa) For a system purchased and installed on or after July 1, 2013, and
4 before July 1, 2014, the system shall cost no more than four dollars fifty cents per
5 watt and provide for no more than six kilowatts of energy.

6 ~~(ii)~~ (bb) For a system purchased and installed on or after July 1, 2014, and
7 before July 1, 2015, the system shall cost no more than three dollars fifty cents per
8 watt and provide for no more than six kilowatts of energy.

9 ~~(iii)~~ (cc) For a system purchased and installed on or after July 1, 2015, and
10 before January 1, 2018, the system shall cost no more than two dollars per watt and
11 provide for no more than six kilowatts of energy.

12 (b)(i) The maximum amount of tax credits for leased systems which may be
13 granted by the department for credits not granted prior to June 1, 2015, during Fiscal
14 Year 2014-2015 shall be nineteen million dollars.

15 (ii) Beginning in Fiscal Year 2015-2016 the maximum amount of tax credits
16 for leased systems which may be granted by the department on any return, regardless
17 of tax year, shall be as follows:

18 (aa) For tax credits claimed on returns filed on or after July 1, 2015, and
19 before July 1, 2016, no more than ten million dollars of tax credits shall be granted.

20 (bb) For tax credits claimed on returns filed on or after July 1, 2016, and
21 before July 1, 2017, no more than ten million dollars of tax credits shall be granted.

22 (cc) For tax credits claimed on returns filed on or after July 1, 2017, no more
23 than five million dollars of tax credits shall be granted.

24 (iii) The granting of credits shall be on a first-come, first-served basis. If the
25 total amount of credits applied for in any particular fiscal year exceeds the amount
26 of tax credits authorized for that year, the excess shall be treated as having been
27 applied for on the first day of the subsequent year. All requests received on the same
28 business day shall be treated as received at the same time, and if the aggregate
29 amount of the requests received on a single business day exceed the total amount of
30 available tax credits, tax credits shall be approved on a pro rata basis. Beginning in

1 Fiscal Year 2015-2016, any claim or request for an allocation of credits under this
2 Section shall be filed electronically.

3 (c) There shall be no tax credits authorized, issued, or granted as provided
4 in this Paragraph for systems installed after December 31, 2017.

5 (3)(a) The purchase and installation of a system shall be eligible for a tax
6 credit if the system services the electrical energy needs of the homeowner's primary
7 residence.

8 (b) The cost of the system and installation shall not be financed by the Solar
9 Installer or an Installer Affiliate.

10 C. As used in this Section:

11 * * *

12 (6) "System" means a solar electric ~~or solar thermal~~ system, ~~or any~~
13 ~~combination of components thereof.~~ The following types of equipment are
14 specifically excluded: solar thermal energy system, solar air conditioning system,
15 solar attic fan or ventilation system, solar powered light, solar day lighting apparatus,
16 solar powered pool pump or heating system, solar gate operating system, all other
17 stand alone devices, and other equipment further prohibited by administrative rule.

18 (7) "Installer Affiliate" means (a) any person who is the direct or indirect
19 beneficial owner of any Solar Installer or Company; (b) any person who is related
20 by blood or marriage to a person described in Subparagraph (a) of this Paragraph; (c)
21 any entity directly, indirectly, nominally or beneficially owned by a Solar Installer
22 or any person described in Subparagraphs (a) or (b) of this Paragraph, or in which
23 such a person or entity has an economic interest; (d) any entity directly or indirectly
24 owning, owned by, under common ownership with, or having any economic interest
25 in any Solar Installer, Solar Company or any entity described in Subparagraphs (a),
26 (b) or (c) of this Paragraph.

27 (8) "Solar Installer" means any person or business selling or installing solar
28 improvements eligible for the generation of tax credits pursuant to La. R.S. 47:6030.

29 D. The provisions of this Subsection shall apply to all tax credits for
30 purchase or lease and installation of a system authorized under this Section.

1 (1) The credit may be used in addition to any federal tax credits earned for
2 the same system. However, a taxpayer shall not receive any other state tax credit,
3 exemption, exclusion, deduction, or any other tax benefit for property for which the
4 taxpayer has received a tax credit under this Section.

5 (2) ~~(a) If a taxpayer purchases and installs a system at his own residence, the~~
6 The credit shall be claimed on the tax return only for the taxable year in which the
7 system is completed and placed in service. If a taxpayer purchases a newly
8 constructed home with a system already installed, the credit shall be claimed on the
9 tax return only for the taxable year in which the act of sale occurred. ~~Proof of system~~
10 installation shall be provided with a claim for a tax credit.

11 ~~(b) If a third-party taxpayer purchases a system for installation at another~~
12 ~~person's residence through a lease with the owner of the residence, the credit shall~~
13 ~~be claimed on the tax return for the taxable year in which the system is completed~~
14 ~~and placed in service. Proof of system installation shall be provided with a claim for~~
15 ~~a tax credit.~~

16 (3) To claim the credit, a taxpayer shall submit all of the following:

17 (a) Proof of system installation.

18 (b) A copy of a contract signed by the taxpayer demonstrating either full
19 payment, with evidence of payment from cash on hand, or payment through
20 financing obtained from a person other than the Solar Installer or an Installer
21 Affiliate.

22 (c) The serial number, model number, and energy output for each solar panel
23 installed.

24 (d) Department of Revenue Form R-1086, which shall contain the following
25 sworn statements by the licensed dealer who sold or leased the system and the
26 licensed installer who installed the system:

27 The undersigned is an authorized principal in _____, is licensed by the
28 Louisiana Board of Contractors as required by R.S. 47:6030, and certifies under
29 penalty of law, particularly R.S. 14:202.2(A), that the system sold or leased to the
30 homeowner of the residence located at _____ has a total nameplate value

1 of _____ kilowatts, that no solar dealer, solar installer, or installer affiliate
 2 financed the repayment obligations, and that a reasonable good faith belief exists that
 3 the residence is eligible for the credit provided for in this Section in the amount
 4 claimed on a Louisiana income tax return.

5 _____
 6 Dealer's Name (printed)

_____ Dealer's Name (signature)

7 _____
 8 Dealer's Louisiana License Number

9 The undersigned is an authorized principal in _____, is licensed by the
 10 Louisiana Board of Contractors as required by R.S. 47:6030, is a licensed installer,
 11 as required by R.S. 37:2156.3, and certifies under penalty of law, particularly R.S.
 12 14:202.2(A), that the system installed at the residence located at _____ has
 13 a total nameplate value of _____ kilowatts.

14 _____
 15 Installer's Name (printed)

_____ Installer's Name (signature)

16 _____
 17 Installer's Louisiana License Number

18 _____
 19 Date the installation of the energy system was completed and placed in service.

20 Notary Public

21 (e) Any other documentation required by administrative rule.

22 * * *

23 F. Notwithstanding any other provision of law to the contrary, any excess of
 24 allowable credit over the aggregate tax liabilities against which such credit may be
 25 applied, as provided in this Section, shall constitute an overpayment, as defined in
 26 R.S. 47:1621(A), and the secretary shall make a refund of such overpayment from
 27 the current collections of the taxes imposed by Chapter 1, Chapter 2, Chapter 2-A,
 28 Chapter 2-B, or Chapter 5 of Subtitle II of this Title, together with interest as
 29 provided in R.S. 47:1624. The right to a credit or refund of any such overpayment
 30 shall not be subject to the requirements of R.S. 47:1621(B). All credits and refunds,
 31 together with interest thereof, must be paid or disallowed within one year of receipt

1 by the secretary of any such claim for refund or credit. Failure of the secretary to
 2 pay or disallow, in whole or in part, any claim for a credit or a refund shall entitle the
 3 aggrieved taxpayer to proceed with the remedies provided in R.S. 47:1625.
 4 However, the department may withhold payment of a solar energy systems tax credit
 5 from a taxpayer if there are any existing state or federal liens, pending charges or
 6 investigations, or third party claims against such taxpayer or any of its affiliates or
 7 related parties. In such case, the department may withhold issuance of the tax credit
 8 until the department has received documentation which satisfactorily demonstrates
 9 that the matter has been resolved as determined by the secretary. For purposes of
 10 administering the first-come, first-served requirement, the return of any taxpayer
 11 whose claim for a tax credit is withheld for the aforementioned reasons shall be
 12 treated as received on the date the secretary deems such matters resolved. The
 13 secretary may exercise the right to withhold issuance of the tax credit for such
 14 purposes for any return, regardless of tax year or date received. Further, the
 15 secretary shall provide notice to the taxpayer upon determination that one or more
 16 of the aforementioned factors is applicable and the taxpayer's claim for a tax credit
 17 is being withheld.

18 Section 2. R.S. 47:6030(C)(5) is hereby repealed in its entirety.

19 Section 3. This Act shall become effective upon signature by the governor or, if not
 20 signed by the governor, upon expiration of the time for bills to become law without signature
 21 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 22 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 23 effective on the day following such approval.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____