

2016 First Extraordinary Session

HOUSE BILL NO. 37

BY REPRESENTATIVE BACALA

TAX CREDITS: Accelerates the termination date for the solar energy systems tax credit  
(Item #26)

1 AN ACT

2 To amend and reenact R.S. 47:6030(B)(1)(b)(introductory paragraph), (c), and (d) and  
3 (2)(a)(i) and (ii)(cc), (b)(ii), and (c), relative to the solar energy systems tax credit;  
4 to accelerate the termination date for the program; to provide for an effective date;  
5 and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:6030(B)(1)(b)(introductory paragraph), (c), and (d) and (2)(a)(i)  
8 and (ii)(cc), (b)(ii), and (c) are hereby amended and reenacted to read as follows:

9 §6030. Solar energy systems tax credit

10 \* \* \*

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

15 \* \* \*

16 (b) For a system purchased and installed on or after July 1, 2015, and before  
17 ~~January 1, 2018~~April 1, 2016, the tax credit shall be equal to the least of:

18 \* \* \*

19 (c) Beginning in Fiscal Year 2015-2016, the maximum amount of tax credits  
20 for purchased systems which may be granted by the department on any return filed

1 on or after July 1, 2015, and before April 1, 2016, regardless of tax year, shall be as  
2 follows:

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

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

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

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

18 (d) There shall be no tax credits authorized, issued, or granted as provided  
19 in this Section for systems installed on or after ~~January 1, 2018~~ April 1, 2016.

20 (2)

21 \* \* \*

22 (a)(i) The tax credit shall be equal to fifty percent of the first twenty-five  
23 thousand dollars of the cost of purchase for a system installed before January 1,  
24 2014. For a system installed on or after January 1, 2014, and before ~~January 1,~~  
25 ~~2018~~April 1, 2016, the tax credit shall be equal to thirty-eight percent of the first  
26 twenty thousand dollars of the cost of purchase.

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

29 \* \* \*

1 (cc) For a system purchased and installed on or after July 1, 2015, and before  
2 ~~January 1, 2018~~April 1, 2016, the system shall cost no more than two dollars per watt  
3 and provide for no more than six kilowatts of energy.

4 (b)

5 \* \* \*

6 (ii) Beginning in Fiscal Year 2015-2016 the maximum amount of tax credits  
7 for leased systems which may be granted by the department on any return filed on  
8 or after July 1, 2015, and before April 1, 2016, regardless of tax year, shall be as  
9 follows:

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

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

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

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

25 (c) There shall be no tax credits authorized, issued, or granted as provided  
26 in this Paragraph for systems installed after ~~December 31, 2017~~March 31, 2016.

27 \* \* \*

28 Section 2. This Act shall become effective upon signature by the governor or, if not  
29 signed by the governor, upon expiration of the time for bills to become law without signature

1 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
 2 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
 3 effective on the day following such approval.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 37 Original

2016 First Extraordinary Session

Bacala

**Abstract:** Accelerates the termination date for the solar energy systems tax credit from Jan. 1, 2018, to April 1, 2016.

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 their residence, or if it is purchased by a third party for installation at another person's residence, typically through a lease agreement.

**Purchased system**

Present law prohibits tax credits for any system installed after Dec. 31, 2017.

Proposed law accelerates the termination date and prohibits tax credits for a system installed on or after April 1, 2016.

Present law provides the maximum amount of the credit for a system purchased and installed on or after July 1, 2015, and before Jan. 1, 2018, to be the lesser of any of the following: 50% of the cost of purchase and installation, \$2 multiplied by the size of the system measured in DC watts, or \$10,000.

Proposed law accelerates the end date for the allowable credit from before Jan. 1, 2018, to April 1, 2016.

Present law beginning with Fiscal Year 2015-2016, establishes annual caps on the total amount of tax credits allowed on any return, regardless of tax year, as follows:

- (1) For tax credits claimed on returns filed on or after July 1, 2015, and before July 1, 2016, no more than \$10 million.
- (2) For tax credits claimed on returns filed on or after July 1, 2016, and before July 1, 2017, no more than \$10 million.
- (3) For tax credits claimed on a return filed on or after July 1, 2017, no more than \$5 million.

Proposed law eliminates the cap for returns filed on or after July 1, 2016, and accelerates the end date for which the first \$10 million in credit cap applies from July 1, 2016 to April 1, 2016.

**Leased system**

Present law prohibits tax credits for any system installed after Dec. 31, 2017.

Proposed law accelerates the termination date and prohibits tax credits for a system installed after March 31, 2016.

Present law provides that the maximum credit amount for a leased system purchased and installed on or after July 1, 2015, and before Jan. 1, 2018, is 38% of the first \$20,000 of the cost of purchase and installation.

Proposed law accelerates the end date from Jan. 1, 2018, to April 1, 2016.

Present law establishes a \$19 million cap on the amount of tax credits for leased systems which may be allowed on tax returns during Fiscal Year 2014-2015 for credits not granted prior to June 1, 2015.

Present law beginning with Fiscal Year 2015-2016, establishes annual caps on the total amount of tax credits allowed on any return, regardless of tax year, as follows:

- (1) For tax credits claimed on returns filed on or after July 1, 2015, and before July 1, 2016, no more than \$10 million.
- (2) For tax credits claimed on returns filed on or after July 1, 2016, and before July 1, 2017, no more than \$10 million.
- (3) For tax credits claimed on returns filed on or after July 1, 2017, no more than \$5 million.

Proposed law eliminates the cap for returns filed on or after July 1, 2016, and accelerates the end date for which the first \$10 million in credit cap applies from July 1, 2016, to April 1, 2016.

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

(Amends R.S. 47:6030(B)(1)(b)(intro. para.), (c), and (d) and (2)(a)(i) and (ii)(cc), (b)(ii), and (c))