

**Revenue Information Bulletin No. 17-012**  
**July 24, 2017**  
**Income Tax**

**Act 413 of the 2017 Regular Session of the Louisiana Legislature**  
**Solar Energy Systems Tax Credit**

Act 413 of the 2017 Regular Session of the Louisiana Legislature provides for the payment of tax credits for solar energy systems which were purchased and installed on or before December 31, 2015.

**Background**

Act 131 of the 2015 Regular Session of the Louisiana Legislature established a maximum amount of tax credits (“credit cap”) for purchased solar energy systems, as follows:

Fiscal Year	Maximum Amount of Tax Credits for Purchased Systems “Credit Cap”
2015-2016	\$10 million
2016-2017	\$10 million
2017-2018	\$5 million

As provided by Act 131, the credits were granted on a first-come, first-served basis. If the total amounts of credits applied for in a particular fiscal year exceeded the amount of credits available, the excess was applied to the next year. By March 16, 2016, all \$25 million of credits were granted to taxpayers. However, several taxpayers satisfied the requirements to qualify for the credit but were denied the credit because of the credit cap.

**Effect of Act 413**

Act 413 of the 2017 Regular Session provides an exception to the Act 131 credit cap. A taxpayer may receive the full amount of the credit if the following requirements are met:

1. The claim for credit was denied or would have been denied for any portion of the original claim because of the Act 131 credit cap;
2. The claim for credit relates to a solar energy system that was purchased and installed on or before December 31, 2015; and
3. The claim for credit meets all the requirements of an eligible system.

For taxpayers with qualifying systems who were previously denied because of the credit cap, no additional or new claim for a purchased energy system is required. For taxpayers previously denied for a system purchased and installed after December 31, 2015, no amendment concerning the date of purchase and installation is permitted.

If a taxpayer qualifies for a credit, and the claim for a credit would have been denied because of the cap, the taxpayer may file an original return or amend his or her previously filed original return to claim the credit. The original or amended return must claim a credit for a system which was purchased and installed before December 31, 2015, and meet all other requirements of an eligible system. The amended return must be **electronically filed** with the Department **no later than August 31, 2017**.

### **Supporting Documentation**

In order for a claim to be eligible under Act 413, all supporting documentation must be submitted to the Department **no later than November 1, 2017**. This requirement applies to all taxpayers, including those which were previously denied and those which would have been denied. For purposes of this requirement, any submission of documents received by the Department or postmarked on or before November 1, 2017, will be considered timely.

The term "supporting documentation", for purposes of this requirement, means the following:

- A completed Form R-1086 for the corresponding tax period;
- Proof of purchase in the form of an itemized receipt or a copy of the contract signed by the taxpayer demonstrating either full payment or payment through financing; and
- All other documentation requested by the Department pursuant to the requirements of LAC 61:I.1907.

### **Credit Payout Timeline**

For qualifying taxpayers, Act 413 allows for the full payment of the credit for which the system is eligible. However, the full payment shall be issued in three equal installments over three fiscal years, beginning with fiscal year 2017-2018 and ending with fiscal year 2019-2020.

Act 413 further provides a \$5 million dollar per fiscal year credit cap on the amount of credits which may be issued by the Department in a given fiscal year. In the event the aggregate amount of eligible credits to be paid in a given fiscal year exceeds the \$5 million dollar credit cap, qualifying taxpayers shall receive their pro rata share of the \$5 million fiscal year cap in three equal installments beginning with fiscal year 2017-2018 and ending with fiscal year 2019-2020, and will receive the remainder of any outstanding credit due in the fourth year or fiscal year 2020-2021.

The following chart reflects the fiscal year credit caps on the amount of credits which may be issued by the Department pursuant to Act 413:

Fiscal Year	Credit Caps
2017-2018	\$5 million
2018-2019	\$5 million
2019-2020	\$5 million
2020-2021	Any remaining balance of qualified and eligible claims which have not yet been issued

**Additional Information**

For a list of Frequently Asked Questions concerning Act 413, please see [revenue.la.gov/SolarCredit](http://revenue.la.gov/SolarCredit).

For questions concerning this matter, please contact the Policy Services Division at (225) 219-2780. For questions concerning a taxpayer's return, please contact (855) 307-3893.

**Kimberly Lewis Robinson**  
**Secretary**