

Note: This Revenue Information Bulletin supersedes and repeals Revenue Information Bulletin 14-006.

Revenue Information Bulletin No. 14-011
June 2, 2014
Individual Income and Corporation Income Taxes

Solar Powered Air Conditioning

The Solar Energy Systems Tax Credit, provided by La. R.S. 47:6030, allows a tax credit against the income tax for the "...cost of purchase and installation of a solar electric system, a solar thermal system, or a combination of components thereof...at a single-family residence located in Louisiana." Pursuant to La. R.S. 47:6030(C)(4), a "solar electric system" means a system consisting of photovoltaic panels with the primary purpose of converting sunlight to electrical energy and all equipment and apparatus necessary to connect, store, and process the electrical energy for connection to and use by an electrical load. Similarly, La. R.S. 47:6030(C)(5) defines a "solar thermal system" as a system consisting of a solar energy collector with the primary purpose of converting sunlight to thermal energy and all devices and apparatus necessary to transfer and store the collected thermal energy for the purposes of heating water, space heating, or space cooling.

La. R.S. 47:6030(C)(4)(a)-(c) includes a list of all qualifying components for solar electric energy systems. It provides:

- (a) For grid-connected, net metering solar electric systems, the components include photovoltaic panels, mounting systems, inverters, charge controllers, batteries, battery cases, alternating current (AC) and direct current (DC) disconnects, lighting and ground fault protection, junction boxes, remote metering display devices, and related electrical wiring materials from the photovoltaic panels to point of interconnection with the residence or electrical load.
- (b) For stand-alone solar electric AC systems, the components include photovoltaic panels, mounting systems, inverters, charge controllers, batteries, battery cases, AC and DC disconnects, lighting and ground fault protection, junction boxes, remote metering display devices, and related electrical wiring materials from the photovoltaic panels to point of interconnection with the residence or electrical load.
- (c) For stand-alone solar electric DC systems, the components include photovoltaic panels, mounting systems, charge controllers, batteries, battery cases, DC disconnects, lighting and ground fault protection, junction boxes, remote metering display devices, and related electrical wiring materials from the photovoltaic panels to point of interconnection with the residence or electrical load.

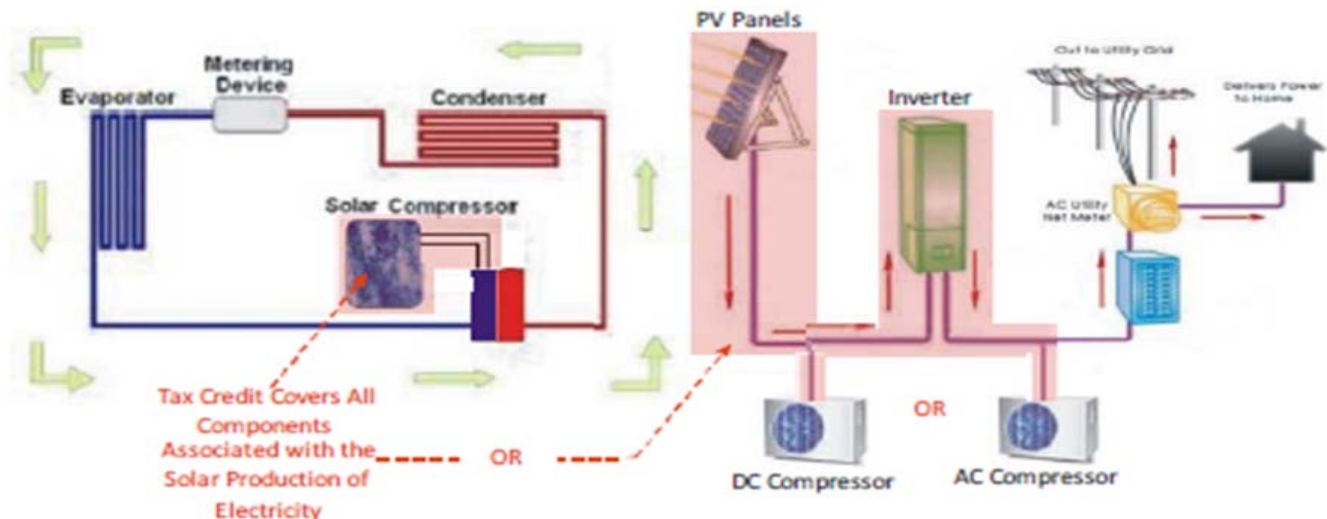
Similarly, La. R.S. 47:6030(C)(5) provides a list of all qualifying components for solar thermal energy systems. It provides:

(5)...The eligible system components for a solar thermal system include collectors, mounting systems, solar hot water storage tanks, timers pumps, heat exchangers, drain back tanks, expansion tanks, controllers, sensors, valves, freeze protection devices, air elimination devices, photovoltaic panels for photovoltaic (PV) systems, piping, insulation, and other related materials from the solar thermal collectors to the solar hot water storage tanks.

With regard to solar powered air conditioning, only the costs associated with the purchase and installation of the solar energy components listed in La. R.S. 47:6030(C)(4)-(5) which are directly related to and deemed necessary for the solar electric or solar thermal energy system will be deemed eligible for the tax credit. Qualifying taxpayers should submit an itemized list of eligible components which includes the cost of both the eligible component and corresponding labor charges for each eligible component listed. The components deemed eligible for either a solar electric or solar thermal air conditioning system are as follows:

Solar Electric Air Conditioning Systems

- Photovoltaic panels
- Photovoltaic panel mounting systems
- All electrical wiring, electrical wiring connections, inverters, electrical metering devices, and disconnects utilized exclusively for the photovoltaic panels which are installed between the photovoltaic panels and the air conditioning unit

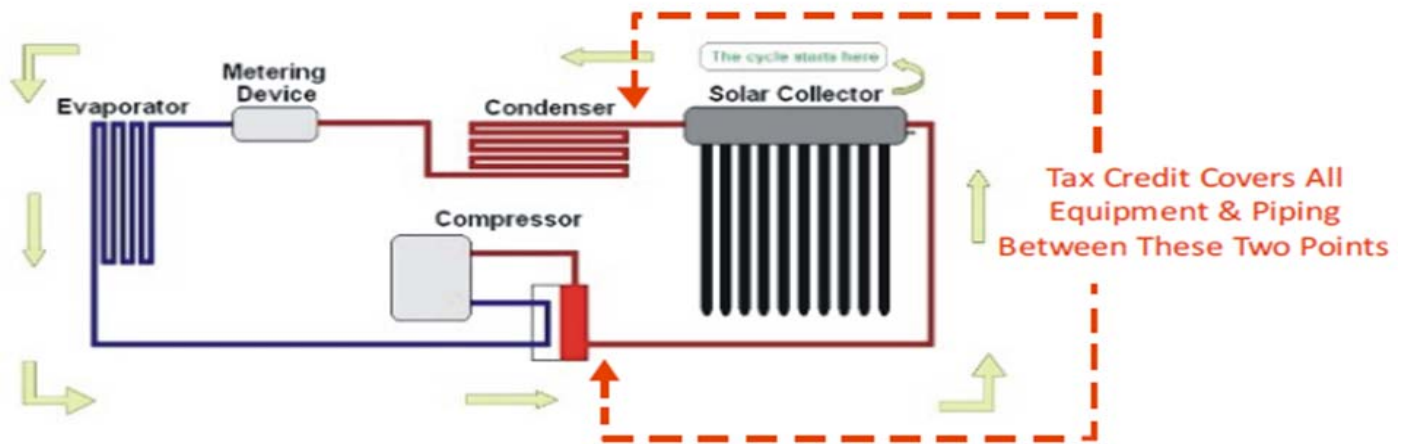


Solar Thermal Air Conditioning Systems

- Solar thermal collectors
- Solar collector mounting systems

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- All piping, metering systems, and fluid storage tanks installed between the compressor and condenser



Pursuant to LAC 61:I.1907(F)(2), "...Supplemental heating and cooling (HVAC) equipment costs used with solar collectors are not eligible for inclusion under the tax credit." Such supplemental components include the cost of purchase and installation of all conventional air conditioning components, including, but not limited to, compressors, condensers, duct work, and any and all other components which are not provided for in La. R.S. 47:6030(C)(4)-(5) and which are not necessary components of the solar electrical or solar thermal energy system but serve only the supplemental, conventional (HVAC) air conditioning unit.

For questions concerning this matter, please e-mail Policy.Publications@La.gov.

Tim Barfield
Secretary