

Private Letter Ruling
Redacted Version
No. 10-016

Individual Income Tax and Corporation Income Tax
Clarification Concerning the Solar Energy Systems Tax Credit
September 14, 2010

This is in reply to your request for a private letter ruling seeking a clarification of LAC 61:I.1907, Income Tax Credits for Wind or Solar Energy Systems.

Factual Scenario

You provided these facts:

Taxpayers are building an assisted living complex that is in every respect a residential housing complex.

Taxpayers will have 74 units with a maximum capacity of 80 residents.

Taxpayers are installing 24 complete solar energy systems.

Ruling Request

You have asked for a ruling as follows:

According to LAC 61:I.1907(A), "... The amount of the credit is equal to 50 percent of the first \$25,000 of the cost of each wind or solar energy system." You have requested a clarification of the word "each". In addition, you requested a ruling as to whether a multi-family establishment, such as an assisted living residence, is eligible to receive the credit.

Discussion

According to LAC 61:I.1907(A), "Revised Statute 47:6030 provides an income tax credit for the purchase and installation of a wind or solar energy system by a Louisiana homeowner or the owner of a residential rental apartment project located in the state. In order for costs associated with the purchase and installation of a wind or solar energy system to qualify for this credit, the expenditure must be made on or after January 1, 2008. The amount of the credit is equal to 50 percent of the first \$25,000 of the cost of each wind or solar energy system."

According to LAC 61:I.1907(C)(1), "Each residence or apartment project in the state is eligible for tax credits for the number of separate complete wind, solar electric, and solar thermal energy systems necessary to ensure that the residence or apartment project is supplied with all of its energy needs."

According to LAC 61:I.1907(B), a residence is “a single family dwelling, one dwelling unit of a multi family owner occupied complex, or one residential dwelling unit of a rental apartment complex.” An assisted living residence can have multiple residential dwelling units, similar to a rental apartment complex.

Ruling

Based on the facts provided, Taxpayers are eligible for a solar energy systems tax credit for each separate and complete solar energy system.

If you have any questions or need additional information, please call Vanessa LaFleur, Director, or William E. Little, Attorney, Policy Services Division, at 219-2780.

Sincerely,

Cynthia Bridges
Secretary

By:

William E. Little
Attorney
Policy Services

This correspondence constitutes a private letter ruling (PLR) by the Louisiana Department of Revenue, as provided for by section 61:III.101 of the Louisiana Administrative Code. A PLR provides guidance to a specific taxpayer at the taxpayer's request. It is a written statement that applies principles of law to a specific set of facts or a particular tax situation. A PLR does not have the force and effect of law, and is not binding on the person who requested it or on any other taxpayer. This PLR is binding on the department only as to the taxpayer to whom it is addressed, and only if the facts presented were truthful and complete and the transaction was carried out as proposed. It continues as authority for the department's position unless a subsequent declaratory ruling, rule, court case, or statute supersedes it.