



Database of State Incentives for Renewables &amp; Efficiency



9/23/09



## Louisiana Incentives/Policies for Renewables & Efficiency

### Tax Credit for Solar and Wind Energy Systems on Residential Property (Corporate)

Last DSIRE Review: 07/22/2009

**Incentive Type:** Corporate Tax Credit

**State:** Louisiana

**Eligible:** Solar Water Heat, Solar Space Heat, Photovoltaics, Wind, Solar Pool Heating

**Renewable/Other Technologies:**

**Applicable Sectors:** Commercial, Residential, Multi-Family Residential

**Amount:** 50% of the first \$25,000 of the cost of each system

**Maximum Incentive:** \$12,500 per installed system

**Carryover Provisions:** Excess credit is refundable

**Equipment/Installation Requirements:** Electrical equipment must be UL-listed. Solar thermal equipment must be SRCC-certified.

**Authority 1:** La. R.S. 47:6030

**Date Enacted:** 7/10/2007

**Date Effective:** 1/1/2008

**Authority 2:** LAC 61:1.1907

**Date Effective:** 1/1/2008

#### Summary:

Louisiana provides a tax credit for the purchase and installation of solar and wind energy systems purchased and installed on or after January 1, 2008. The credit may be applied to personal, corporate or franchise taxes, depending on the entity which purchases and installs the system, but the system must be installed at either a residence or a residential rental apartment complex to be eligible. [HB 858](#), enacted in July 2009, extended the tax credit to taxpayers that purchase and install systems rather than only the owners of the residential property. This legislation also clarifies that only one credit can be taken per system, so if the property is sold, the taxpayer who originally claimed the credit must disclose this, as the new owner will not be eligible for another tax credit on the same system.

The tax credit may be applied both to solar-electric systems (photovoltaic systems) and solar-thermal systems, when the energy is used for space heating, space cooling or water heating. The amount of the credit is equal to 50% of the first \$25,000 of the cost of each system, including installation costs (unless the taxpayer is installing the system). The credit must be fully claimed in the taxable year in which the system is installed and placed in service, or the year in which the residential property is sold if the system is installed on a new home or apartment building. Any excess credit which exceeds the taxpayer's liabilities for that year shall be treated as an overpayment, and the Louisiana Department of Revenue will issue a refund for the remaining amount within one year of receiving the claim.

For photovoltaic (PV) systems, the tax credit applies to AC or DC generation systems which are grid-connected, net-metered systems (with or without battery backup) or stand-alone systems. Eligible wind energy systems include AC or DC electric generation and mechanical wind systems. Solar thermal systems must be used for the primary purpose of heating water (including pool heating), space heating or space cooling.

Electrical equipment must be UL-listed and installed in compliance with all applicable building and electrical codes. Solar thermal equipment must be SRCC-certified and installed in compliance with all applicable building and plumbing codes. Installations must be performed by a licensed contractor, the owner of the residence, or by a person who has received certification by a technical college in the installation of such systems. In order to claim a tax credit for a wind or solar energy system all components must be installed at the same time as the system.

This tax credit may be combined with any federal tax incentive, but it may not be combined with any other state tax incentive. Whenever additional incentives such as cash rebates, prizes or gift certificates are offered in addition to the tax credit, the eligible cost must be reduced by the value of the incentive received.

**Contact:**

**Public Information - LA DOR**

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