

Residential Property Storm Mitigation Damage Incentives Effective for the 2008 Tax Year

In the 2007 Regular Session, the legislature passed several bills with financial incentives to residential homeowners who are willing to strengthen their property against storms and hurricanes. Four acts of particular interest are summarized below with the full text versions available online at www.skyetec.com:

Act 323 will apply for those insureds whose insurers file rates with the Department of Insurance between March 31, 2008 and January 1, 2009. The rate filing will include **new premium discounts when an owner builds or retrofits a structure** to comply with the requirements of the State Uniform Construction Code and/or installs damage mitigation improvements or retrofits his property utilizing construction techniques demonstrated to reduce the amount of loss from a windstorm or hurricane. **The insurer may require completion of the Louisiana Hurricane Loss Mitigation Form or other documentation to demonstrate compliance with the Code.**

Act 467 will apply on or after the 2008 tax years. The Act grants a "**construction code retrofitting deduction**" against taxable income equal to **50% of the cost of voluntarily retrofitting residential property**, for which the taxpayer claims the homestead exemption for ad valorem tax purposes, excluding rental property, to bring it into compliance with the State Uniform Construction Code, **not to exceed a \$5,000 deduction**. The Department of Revenue does not yet have approved versions of the forms (available 2009).

Act 462 became effective July 1, 2007 and **excludes storm shutter devices from the state sales and use tax**. A "storm shutter device" means materials and products manufactured, rated, and marketed specifically for the purpose of preventing window damage from storms. No form or exemption certificate is needed to qualify for the exclusion; **the seller will provide exemption for qualifying devices.**

Act 371 will apply to tax year **2008 ONLY**. The act allows a **credit against individual income tax for 7% of the premium of a homeowners' insurance policy**, condo insurance policy, or tenant insurance policy paid by the individual during 2008 for the **primary residence of the individual**. **The 7% is less the amount for which a credit is granted pursuant to Louisiana RS 47:6025(A)(3)**, which is available to people who paid the LA Citizens assessments in addition to their homeowner's or property's insurance premium.

Please visit www.skyetec.com to read the full legislation and obtain more information on SkyeTec's Wind Mitigation Services, or call us toll free at 1-866-SKYETEC.

www.skyetec.com

Corporate Office: 9570 Regency Square Blvd., Suite 410
Jacksonville, FL 32225

Phone: 904-482-4260

Fax: 904-482-4299

