



# *Louisiana* **Brownfields Investor Tax Credit**

**LA Department of Environmental Quality  
LA Department of Revenue**

**LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY**  
A CLEAN STATE OF MIND FOR ALL YOUR ENVIRONMENTS



# What Are Brownfields?

- Abandoned or underused property that is contaminated or perceived to be contaminated



## Brownfields Investor Tax Credit

- A tax incentive created by the Legislature to stimulate economic development by encouraging
  - environmental investigation
  - cleanup, and
  - redevelopment of brownfield properties in Louisiana
- Authorized by *R.S. 47:6021*



# What Is It?

- Provides a credit against Louisiana Income Tax
  - 15% of the cost of environmental investigation
  - 50% of the cost of environmental cleanup
- Jointly Administered by LDEQ and LDR (Revenue)



# What Is It?

- For up to 10 years, credit may be:
  - Carried forward (rolled over) on state income tax
  - Transferred (sold or traded) to another eligible entity
  - May be sold/transferred in parts



# Who Qualifies?

- Private/Commercial (for-profit) Entities
- Non-Profit Entities
- Local Governments



# Who Qualifies?

- Must enroll site in the LA Voluntary Remediation Program (VRP)
- Cannot be a “Responsible Person” (as defined in the VRP)
- Cannot be in default on a loan made or guaranteed by the state or have discharged obligations to the state under bankruptcy



# Non-Responsible Party

- You are a “non-responsible party”—if you **didn't**:
  - Create, haul, dispose, dump, discharge (or knowingly allow), operate disposal site,
- And so, you **did**:
  - Acquire the property “innocently” (bought, inherited, received donation, etc.)





# What Is the Process?

- Credit each earned for completing and receiving approval of:
  - Voluntary Remedial Investigation (approved investigation report)
  - Voluntary Remedial Action (Certificate of Completion)



# What Is the Process?

- Two-part process for both investigation and remediation credits
  - DEQ receives initial application and acknowledges eligibility for the credit
  - Applicant completes the investigation or remediation (spends the money)
    - Certifies the expenditures
    - DEQ acknowledges the certification and forwards amount to LDR
    - Applicant may claim or transfer credit



# What Costs Are Eligible?

- Expenditures must be incurred by the applicant
- Must be relevant to and required for the investigation or remediation
- “Pre-VRP entry” costs (Phase I & II ESA, plans, etc.) may be eligible



# So Far

- Ten Eligibility Applications Received
- Total \$1.1 Million in Credits
- Report \$23 Million in Potential Direct Economic Benefits



# Lagniappe

- LDR handles sale/transfer of credits
- No per-site or program dollar cap for program
- Examples of eligible costs provided on website
- Economic benefit information required in application but not weighed in award of the credit



# For More Information

- [www.deq.louisiana.gov/brownfields](http://www.deq.louisiana.gov/brownfields)
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