Louisiana
Brownfields Investor Tax Credit

LA Department of Environmental Quality
LA Department of Revenue
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/transfered in parts
Who Qualifies?

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

• 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)

• Roger Gingles
  – [roger.gingles@la.gov](mailto:roger.gingles@la.gov)

• Duane Wilson
  – [duane.wilson@la.gov](mailto:duane.wilson@la.gov)

• Phone
  – (225)219-3236