
DIGEST

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Morrell

SB No. 40

Present law authorizes a transferable credit against state income tax for investments in either a voluntary remedial investigation or voluntary remediation action, or both, in a state-certified brownfields site.

Present law defines a brownfields site or state-certified site as an area of immovable property.

Proposed law retains present law and adds public parks, playgrounds, and other recreational areas to the definition.

Present law provides that the credit is earned when the Dept. of Environmental Quality ("DEQ") certifies the project's completion and eligibility to receive the credit. The credit is equal to 15% of the total investment for a voluntary remedial investigation, and 50% for a voluntary remediation project.

Present law prohibits the party responsible for the discharge or disposal from applying for the credit.

Present law provides the procedure to be utilized in the transfer of a tax credit, which includes notification of the transfer and provision of information to the Dept. of Revenue.

Proposed law retains present law and adds requirement that the DEQ also be notified.

Present law authorizes the granting of tax credits through December 31, 2009.

Proposed law reauthorizes the granting of tax credits for the period from July 1, 2011 through December 31, 2013, and generally retains provisions of present law.

Proposed law authorizes DEQ to enter into an agreement with the federal government to receive federal funding for reimbursement of state revenues used to pay tax credits.

Proposed law provides the procedure whereby certain appropriate federal monies may be transferred for deposit into the state general fund for reimbursement of state revenues used to pay tax credits.

Proposed law authorizes the granting of tax credits after January 1, 2014, but only if DEQ enters into an agreement with the federal government which provides federal funding for the reimbursement of state revenues used to pay tax credits granted after January 1, 2014. At the discretion of the secretary of DEQ, tax credits may be granted to the extent and for the time period authorized for the use of federal monies pursuant to the agreement.

Effective July 1, 2011.

(Amends R.S. 47:6021(A), (B)(1), (D)(2)(a)(i) and (b)(i), (H), (I) (intro para), (I), (I)(2), (6), and (J); adds R.S. 47:6021(B)(6), (K) and (L))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill.

1. Requires written notification of all transfers or sales of tax credits be to the Department of Environmental Quality as well as the Department of Revenue

and requires the Environmental Quality to notify the transferor and Department of Revenue of any ineligible transferee.

Senate Floor Amendments to engrossed bill.

1. Makes technical changes.
2. Requires that the written notification of the sale or transfer of tax credits also include any information required by the Dept. of Environmental Quality.
3. Requires that no tax credits be granted after Dec. 30, 2013.
4. Requires that the transferability provisions continue to be effective for tax credits properly authorized during the time periods provided in present law.

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Ways and Means to the reengrossed bill.

1. Adds authorization for DEQ to enter into an agreement with the federal government for federal funding to reimburse the state general fund for the cost of tax credits. Further, provides the procedure for the transfer of federal monies to the state general fund.
2. Adds authorization for the granting of tax credits after Jan. 1, 2014, at the discretion of the secretary of DEQ, to the extent of monies available under a federal agreement to provide funding to reimburse the state general fund for the cost of tax credits.