

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 would have retained present law and added public parks, playgrounds, and other recreational areas to the definition.

Present law provides that the credit is earned when the 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 would have retained present law and added requirement that the DEQ also be notified.

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

Proposed law would have reauthorized the granting of tax credits for the period from July 1, 2011 through December 31, 2013, and generally retained provisions of present law.

Proposed law would have authorized 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 would have provided 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 would have authorized 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.

Would have become effective July 1, 2011.

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

**VETO MESSAGE:** "Senate Bill No. 40 by Senator Morrell recreates the Brownfields Investor Tax Credit, which grants a transferable credit for remediation work at a state certified site.

The Louisiana Department of Environmental Quality has existing programs to address brownfields remediation that are funded by the federal Environmental Protection Agency (EPA). While Senate Bill No. 40 supports the use of these federal funds to absorb the cost of the credits, using EPA or other federal funds to support these credits is not mandatory until 2014. Consequently, the first two years of the program will almost assuredly require state funding in lieu of federal funding. I think that it is important that we protect scarce resources for priorities like healthcare and higher education.

For these reasons, I have vetoed Senate Bill No. 40 and hereby return it to the Senate."