

CRD Application Information and Instructions

For information purposes only | Do not submit

General Information

The Commercial Revitalization Deduction (CRD) is an accelerated depreciation incentive available through the Renewal Community initiative. Businesses that construct or substantially rehabilitate commercial property in Renewal Communities (RC) can deduct a portion of the costs of construction or acquisition and rehabilitation over a shorter period of time than permitted under standard depreciation rules. A business can elect to deduct one-half of "qualifying revitalization expenditures" (QRE) in the year the building is placed in service or can deduct all QRE pro-rata over 10 years. The project must receive an allocation from the State to take advantage of this incentive. Each RC may allocate up to \$12 million each year from 2002 through 2009, with no one project receiving more than \$10 million.

The official site of the Renewal Community program in Louisiana can be reached either by www.renewalla.com or www.renewallouisiana.com and the www can be left off.

Eligibility Checklist (project must meet all five criteria)

1. The property is located within a federally designated Renewal Community (RC). If you are unsure if your property falls within a target area visit <http://www.renewalla.com> and click on "Address Locator". Make note of which Renewal Community your project falls in. If you have trouble with the site, contact your Renewal Community Coordinating Responsible Authority (CORA). CORA contact information is listed on the last page of the instruction sheet.
2. The owner of the property is a for-profit entity. Non-profits, churches, or government entities cannot benefit from this incentive.
3. The redevelopment project is a commercial project. This includes retail, industrial, office, and some mixed use properties (See eligibility requirements for **mixed use projects**, below). Projects that are 100% residential are NOT eligible.
4. The project was either placed into service this calendar year or will be placed into service within the next two years.
5. All project partners (individuals and entities) are in good standing with the Louisiana Department of Revenue and the Louisiana Department of Labor. Letters of Good Standing must be acquired from both departments for each partner.

Mixed use projects are those with both commercial and residential components. To qualify for a CRD allocation the portion of income from the residential component must not exceed 80% of the total income. Those projects with residential income exceeding 80% of total income will NOT qualify.

Application Fee

\$150 fee for allocation requests up to \$499,999

\$300 fee for allocation requests \$500,000 and over.

Deadline

The **COMPLETED APPLICATION** and **REQUIRED DATA** must be received or post marked to the designated CORA no later than **OCTOBER 31st** of the year the building is placed into service unless it is a carryover allocation application. (See Part I, item #11 for the definition of a carryover allocation application)

(You may visit www.renewalla.com for any changes or updates)

Required Attachments

1. **Letters of Good Standing:** All CRD applicants must obtain, and submit to the CoRA, letters of good standing from the Louisiana Department of Labor and the Louisiana Department of Revenue. Both entities will process the requests by fax and will forward the letters to the applicant, and to the CoRA, if requested to do so. The requests must be made on company letterhead and must be signed by a company officer. Please specify to the respective departments to fax the letter to the designated CoRAs. It is the applicant's responsibility to ensure this information is received by the CORA. Further specifics for the letters are as follows:

Department of Labor

Reference the company's seven digit La. Unemployment Insurance Tax Number.

If the company has not yet applied for their Louisiana Unemployment Insurance Number, the applicant should include each owner's Federal Tax ID numbers

Companies operating as LLC's or LLP's should include the SSN of each managing agent.

The request should be faxed to 225-219-4482, attention Mike Delafosse, UI Tax Chief. The Baton Rouge office's mailing address is as follows:

Louisiana Department of Labor

Attn. Michael Delafosse

P.O. Box 94186

Baton Rouge, LA 70804-9186

Department of Revenue

Reference the company's Louisiana Revenue Account Number.

If the company has not yet applied for their Louisiana Revenue Account Number, the applicant should include each owner's Federal Tax ID numbers

Companies operating as LLC's or LLP's should include the SSN of each managing agent.

The request can be made by contacting or faxing your choice of IRS offices throughout Louisiana. Please visit the link below to view these IRS locations and contact information.

url: <http://www.renewalla.com/taxhelp/>

2. **Photographs** — before, during, and/or after photographs of the construction or renovation project must be submitted with the CRD application. If the project will not be completed until after the allocation is made, photos of the project in the stage of completion at the time of the application should be submitted followed by photos of the completed project.
3. **Invoices, contractor's estimates, and other relevant information** such as copies of contractor's estimates, invoices and other such documents which would substantiate the requested allocation amount should be submitted along with the CRD application.

Application Instructions

Part I — Project Information

1. Legal name of entity that owns the building or project subject to the CRD application
 - 1a. Company website address
2. Physical address of project
3. City, state and zip code for project
4. Name of the project that is the subject of this application
5. Primary type of business or industry conducted at the site.
6. Standard Industry Code (SIC) for primary activity to be conducted on site (<http://www.osha.gov/pls/imis/sicsearch.html>)
7. Parish in which the project is located
8. Indicate whether there is gaming on the site of the project and whether any owners are involved in gaming
9. Indicate whether the physical address of the project is within city limits
10. Provide the approximate month and year in which the newly constructed or renovated building will be placed into service.

Indicate the approximate time frame when the project will be completed: within 12 months, within 24 months, or beyond 24 months

11. Complete this section only if this is a Carry Over-Allocation: Complete **ONLY** if the building will **NOT** be placed into service **PRIOR** to December 31st of the current year, **BUT** a minimum of 10% of the completed project's value (land and building) will be in place **PRIOR** to June 30th of the following year. If the project does not meet the 10% test, **STOP** here. The project will **NOT** qualify for a CRD allocation for the current year. Contact your CoRA representative listed below for more information. If the project meets the 10% test check the YES box. Indicate, in 11a, the month and year that the project will be at 10% completion and the month and year of 100% completion. Indicate, in 11b, the value of the land and building that make up the project at its completion. (Please note that only building costs will qualify for a CRD allocation. Information as to land value is required for IRS purposes only.) Please see your CoRA representative for more information.

Part II - Type of Project

12. **Mixed Use**—Complete this section only if the development project has BOTH commercial and residential components. Provide the Gross Residential Rents in section (A), Provide the Gross Commercial Rents in section (B), Total the Gross Rents from section (A & B) then divide section (A) by section (C) and enter the percentage in section (D). If section (D) is 80% or more, your project does not qualify for the CRD. If section (D) is less than 80%, your project may qualify, therefore, complete the remaining application.
13. Place a check in the box next to the project type that best fits the project in question and give the information applicable to the project
 - **New Construction** - Commercial or mixed use projects that are completely new construction, with no renovation of existing buildings on the site. Provide the following information: Approximate Square footage of the new construction; the building labor and engineering cost only; and the building construction cost. By using the Adobe Reader program to fill in the information, the application's built in formulas will help calculate these costs under Total Cost (CRD Request Amount).
 - **Expansion** - Commercial or mixed use projects involving an increase in the overall volume of an existing building (either in use or vacant). Provide the following information: Depreciated Value prior to expansion; Estimated increase in the appraised value of the property due to the expansion; Sum of the depreciated value and increased expansion value; Square footage prior to the expansion; Square footage after the expansion; Cost of the addition/expansion: building expansion's labor and engineering cost only; building's expansion cost. By using the Adobe Reader program to fill in the information, the applications built in formulas will help calculate these costs under Total Cost (CRD Request Amount).
 - **Rehabilitation** - Commercial or mixed use projects involving the rehabilitation of existing buildings with no increase in volume. In order to qualify, the rehabilitation must be considered "substantial," where the rehabilitation costs exceed the adjusted basis of the building. Provide the following information: Depreciated Value prior to renovation; Estimated increase in the appraised value of the property due to the renovation; Sum of the depreciated value and increased renovation value; Cost of the renovation: building renovation's labor and engineering cost only; building's renovation cost; Square footage renovated. By using the Adobe Reader program to fill in the information, the applications built in formulas will help calculate these costs under Total Cost (CRD Request Amount).
14. Give a short description of the project. You can include as much information on the project as you wish but be descriptive of the said project. If you need additional room for your narrative please attach extra pages.

Part III— Project and Property Ownership

Provide the requested information for each owner whether individual or entity. If there are more than two owners attach a sheet listing the required information for all additional owners.

Part IV — Jobs and Other Information

15.
 - a. Indicate the number of existing persons employed prior to the project.
 - b. Indicate the number of jobs to be created within two years of the project's completion.
 - c. Indicate the number of temporary construction jobs associated with this project
16. Provide the estimated hourly wage for the newly created jobs.
17. Indicate whether health and other benefits will be offered
18. Indicate whether the contractor for this project is a Renewal Community business, is a Louisiana based business, or is an out-of-state business.
19. Indicate whether your business takes advantage of the wage credits offered through the Renewal Community program. If yes, which types of credits are used and how many employees are claimed for each selection.
RC—Renewal Community Wage Credit, WOTC—Work Opportunity Wage Credit, or WTW—Welfare to Work
20. Provide the business location's State Representative, State Senator, and Congress person.
Visit <http://www.renewalla.com/legislator.asp> if you are not sure of the representation for the project area

Part V — CRD Request and Signature of Authorized Representative

List the requested information of the person who will serve as the PRIMARY contact for this allocation request. The primary contact should answer questions regarding the project and the application.

Indicate the CRD Request amount.

Read the certification, print the name and title of the company official/officer who will be signing the CRD application and have the official/officer sign the application. Please mail original copy of application to the CORA. NO carbon copies.

Part VI – Application Checklist—**incomplete applications missing any required data will not be approved for a CRD allocation**

- **Completed** two-page application. Additional pages may be added if necessary
- A check in the sum of \$150 for requests up to \$499,999; \$300 for requests of \$500,000 and above
- Letters of Good Standing from the La. Dept of Labor and the La. Dept. of Revenue. (Applicant may request that the entities forward the letters directly to the CoRA, however it is the applicant's obligation to ensure the completed package including the letters are received prior to the deadline for applications.)
- Photographs of the project in the stage of completion at the time of the application. A photograph of the completed project is required at the time of its completion.
- Invoices, contractor's estimates or other documents which would substantiate the amount of CRD allocation requested. Contact your CoRA official if there are questions as to the type of documentation that would suffice.

Information required in the CRD allocation document (from Rev. Proc. 2003-38 Section 4.02 (2) :

- ✓ Name address and taxpayer identification number (TIN) of LED as the commercial revitalization agency making the allocation.
- ✓ Name, address and TIN of the taxpayer receiving the allocation.
- ✓ Address of the qualified revitalization building, or if no address, a specific description of the location of the building.
- ✓ The date the commercial revitalization expenditure is made.
- ✓ The commercial revitalization expenditure amount allocated.
- ✓ A certification under penalty of perjury by an authorized representative of LED that he/she has examined the information in the allocation agreement document and, to the best of the official's knowledge information and belief, this information is true, correct and complete.

Information required in the carryover allocation document (from Rev. Proc. 2003-38 Section 6.02 (2) :

- ✓ Name address and taxpayer identification number (TIN) of LED as the commercial revitalization agency making the allocation.
- ✓ Name, address and TIN of the taxpayer receiving the allocation.
- ✓ The address of each qualified revitalization building in the project, or if no address, a specific description of the location of each building.
- ✓ The date the carryover allocation of the commercial revitalization expenditure is made.
- ✓ The commercial revitalization expenditure amount allocated.

- ✓ The taxpayer's reasonably expected basis in the project (land and depreciable property) as of the close of the second calendar year following the calendar year in which the allocation is made.
- ✓ The date that each qualified revitalization building is expected to be placed into service by the taxpayer.
- ✓ A certification under penalty of perjury by an authorized representative of LED that he/she has examined the information in the carryover allocation agreement document and, to the best of the official's knowledge information and belief, this information is true, correct and complete.

Contact/Mailing Information for each Coordinating Responsible Authority (CoRA)

Northern Renewal Community
 Northeast LA Economic Alliance
 P.O. Drawer 746
 903 Louisiana Ave
 Ferriday, LA 71334-0746
 tel: 318.757.3033
 FAX: 318.757.4212
<http://www.nelea.us>

Ouachita Renewal Community
 Ouachita Economic Dev. Corp
 1900 North 18th Street
 Suite 440
 Monroe, LA 71201-4423
 tel: 318.387.0787
 FAX: 318.387.8529
<http://www.oedc.org>

Central Renewal Community
 Northeast LA Economic Alliance
 P.O. Drawer 746
 903 Louisiana Ave
 Ferriday, LA 71334-0746
 tel: 318.757.3033
 FAX: 318.757.4212
<http://www.nelea.us>

New Orleans/Jefferson R.C.
 Orleans/Jefferson Renewal
 Community
 1340 Poydras St, Suite 950
 New Orleans, LA 70112-5276
 tel: 504.658.4550
 FAX: 504.658.4551
<http://www.cityofno.com>

Contact Information for Governor's Office of Community Programs

Sam Jones
 Deputy Director Office of Community Programs
 Office of Rural Development
 Delta Regional Authority Delegate
 Liaison to Municipal and Parochial Governments
 150 Third Street (Suite 405)
 Baton Rouge, Louisiana 70801
 225-342-0332 (office)
 225-342-0426 (fax)
 225-219-5802 (fax)
 Sam.Jones@la.gov
www.rurallouisiana.com
www.renewallouisiana.com
www.dra.gov

Leslie Lee
 Director of Renewal Communities Program
 Governor's Office of Community Programs
 150 North 3rd Street, 7th Floor
 Baton Rouge, Louisiana 70804
 225-342-6201 office
 225-342-1609 fax
 leslie.lee@la.gov
www.renewalla.com
www.dra.gov

REQUEST FOR COMMERCIAL REVITALIZATION DEDUCTION

SIC Code Lookup: <http://www.osha.gov/pls/imis/sicsearch.html>

Part I - Project Information

1. Company Name		1a. Company Website URL	
2. Complete Physical Address		3. City, State & Zip Code	
4. Project Name		5. Industry or Business Type	6. SIC Code
7. Parish		8a. Any Gaming on this site? <input type="checkbox"/> Yes <input type="checkbox"/> No	8b. Any owners involved in gaming? <input type="checkbox"/> Yes <input type="checkbox"/> No
		9. In City Limits? <input type="checkbox"/> Yes <input type="checkbox"/> No	
10. Approximate date building is to be placed into service: _____ _____ Month / Year <input type="checkbox"/> Within 12 Months <input type="checkbox"/> Within 24 Months <input type="checkbox"/> Beyond 24 Months			

Complete section 11 & 11a ONLY if this project will NOT be placed into service PRIOR to Dec 31st of the current year.
 Please refer to instruction sheet for carry-over allocation definition.

11. Does this application qualify for a CARRYOVER ALLOCATION? See Instructions. Yes No

If you answer NO to this question, STOP You do not qualify for a CRD allocation for the current year.

If YES, then complete question 11a and the remainder of the form.

11a. Place date of 10% completion: _____ Place date of 100% completion: _____
 _____ Month / Year _____ Month / Year

11b. Applicant's basis (value) in the completed project (land & building). See instructions: \$ _____

Part II - Type of Project

12. Mixed Use - Complete this question only if the development project has BOTH commercial and residential components.

Project Qualification:	Annual Total Rents	
Gross Residential Rents (either actual or projected)	_____	A
Gross Commercial Rents	_____	B
Total Gross Rents	_____	C
Divide A by C and enter percentage here.	_____	D

If D is 80% or MORE, your project does not qualify for the CRD

STOP

If D is LESS than 80%, your project may qualify

CONTINUE

<input type="checkbox"/> 13a. New Construction Approximate Sq. Footage _____ Building Costs: • Labor/Engineering: _____ • Building: _____ Total Cost (CRD Request Amount) \$ _____	<input type="checkbox"/> 13b. Expansion Depreciated Value prior to expansion: _____ Estimated increase in the appraised value of the property due to the expansion. _____ Sum of the depreciated value and increased expansion value? _____ Sq. footage prior: _____ Sq. footage after: _____ Cost of Addition: • Labor/Engineering: _____ • Building: _____ Total Cost (CRD Request Amount) \$ _____	<input type="checkbox"/> 13c. Rehabilitation Depreciated Value prior to renovations: _____ Estimated increase in the appraised value of the property due to the renovations. _____ Sum of the depreciated value and increased renovation value? _____ Cost of renovations: • Labor/Engineering: _____ • Building: _____ Total Square feet renovated: _____ Total Cost (CRD Request Amount) \$ _____
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14. Description of Project - Please attach additional pages if needed:

Part III - Project and Property Ownership
(Complete the following information for each property owner. If more than two or additional information please use a separate sheet.)

Owner 1
Legal Name: _____
Federal Tax ID or Owner's Tax ID: _____ LA Unemployment Account Number: _____
Louisiana Revenue Account Number: _____

Owner 2
Legal Name: _____
Federal Tax ID or Owner's Tax ID: _____ LA Unemployment Account Number: _____
Louisiana Revenue Account Number: _____

Part IV - Jobs and Other Information

15a. Number of existing employees: _____ **15b. New jobs created within 2 years:** _____ **15c. Temporary Construction Jobs:** _____

16. The estimated hourly wage for the newly created jobs.

17. Benefits to be offered: No Employee Benefits Worker Only Benefits Employee and family benefits

18. Is the Project Contractor a Louisiana RC Business Louisiana Based Business Out-of-State Based Business

19. Do you take advantage of wage tax credits? YES NO If yes, which wage credits: RC WOTC WTW

List the number of employees per credit used: _____ RC _____ WOTC _____ WTW

20. Government Representation (Visit: <http://www.renewalla.com/legislators.asp>)

State Representative _____ State Senator _____

Congress person _____

Part V - CRD Request and Signature of Authorized Company Official - Affidavit

Primary Contact Name: _____ Phone Number(s): _____

Mailing Address: _____ Fax Number: _____

E-mail Address: _____

Indicate the amount of Commercial Revitalization Deduction being requested. This is your choice, up to amount listed in sections 13a-13b of Total Cost.

CRD Requested Amount: _____

I Certify that the information contained in this application is, to the best of my knowledge, true and correct. I authorize the State of Louisiana and/or the applicable Renewal Community CoRA, their agents or affiliates to verify the information contained in this application and to obtain additional information concerning the applicant's financial condition although the State may rely on this information without any further verification. I acknowledge that providing false information may subject me to recapture penalties.

Officials Name _____ **Officials Title** _____
Please Print or Type Please Print or Type

Officials Signature: _____

Part VI - Application Checklist: Checklist must be complete or application will not be processed.

- Completed** two page application. Additional page(s) may be added if necessary.
- Check in the sum of \$150 for requests up to \$499,999; \$300 for requests of \$500,000 and above.
- Letters of Good Standing from the La. Dept of Labor and Dept. of Revenue.**
(Applicant may request that the entities forward the letters directly to the CoRA, however it is the applicant's obligation to ensure the completed package including the letters are received prior to the deadline for applications.)
- Photographs of the project in the stage of completion at the time of the application. A photograph of the completed project is required at the time of its completion.
- Invoices, contractor's estimates or other documents which would substantiate the amount of CRD allocation requested. Call your CoRA official if there are questions as to the type of documentation that would suffice.