

**Revenue Information Bulletin No. 09-026**  
**September 23, 2009**  
**Individual Income, Corporation Income and Corporation Franchise Tax**  
**Sugarcane Trailer Tax Credit in Effect for 2009 Tax Year**

A refundable tax credit for the cost of purchasing or converting sugarcane trailers is in effect for the 2009 tax year.

Acts 365 and 368 of the Regular Session of the 2007 Louisiana Legislature enacted a refundable credit for the cost to acquire an eligible sugarcane trailer which replaces an ineligible sugarcane trailer or to convert an ineligible sugarcane trailer to an eligible sugarcane trailer. An eligible sugarcane trailer is one that can bear a load up to a limit of 100,000 pounds.

A qualifying trailer must be owned by the taxpayer who claims the credit. The converted third axle trailer must displace a two axle trailer that has been in service. The owner cannot claim the credit for personal labor charges. The owner can claim the credit related to labor costs and expenses for employees involved in the conversion process.

The amount of the tax credit is either the actual cost of acquisition, or the cost of conversion per trailer, not to exceed the following amounts.

- \$8,500 per trailer paid during 2009.
- \$8,000 per trailer paid during 2010.
- \$7,500 per trailer paid during 2011.
- \$7,000 per trailer paid during 2012.
- \$6,500 per trailer paid during 2013.

Costs paid on or after January 1, 2014, are not eligible for this tax credit.

If the timeframe for eligible expenditures extends from one calendar year to another, the credit is limited to the amount allowed for the year in which the conversion began. The credit must then be claimed for the year in which the conversion was completed. For example, if costs were paid for a conversion from October 2009 through February 2010, the taxpayer is limited to the actual cost of conversion or the \$8,500 limit for 2009. However, the credit should be taken on the 2010 tax return.

The law requires trailer owners to maintain records of conversion expenses. Repair invoices and component purchase receipts must include the trailer serial number and date of purchase. Copies of bills of sale must be maintained for new acquisitions. Copies of documentation may be submitted with the tax return, or must be made available upon request.

Interested parties should contact the Special Programs Division of the Louisiana Department of Revenue at (225) 219-0067.

Cynthia Bridges  
Secretary