

Brownfield Cleanup Program Tax Credits
For Brownfield Cleanup Program projects with applications approved after June 23, 2008

Three tax credits (Tax Law sections 21, 22, and 23) are available to taxpayers, subject to tax under Tax Law Articles 9, 9-A, 22, 32 and 33, who remediate a site under the Brownfield Cleanup Program under Title 14 of Article 27 of the Environmental Conservation Law.

1. The Brownfield Redevelopment Credit

- Site preparation costs (expenses related to qualification for a remediation certificate or preparing a site for development)
- On-site groundwater costs (remediation of groundwater contamination)
- Tangible property costs (buildings and structural components thereof)

The site preparation and on-site groundwater remediation credits range from 22%-50% of costs dependent on the level of cleanup and calculated as follows:

Use	Unrestricted	Residential	Commercial	Industrial
Track 1	50%	N/A	N/A	N/A
Tracks 2 and 3	N/A	40%	33%	27%
Track 4	N/A	28%	25%	22%

The tangible property component credit ranges from 10%-24% of redevelopment costs (with a tax credit cap*) and is calculated as follows:

Taxpayer	Base	Track 1	En-Zone	BOA conformance
Article 22	10%	+2%	+8%	+2%
All others	12%	+2%	+8%	+2%

*Tangible property credit caps:

Non-manufacturing projects: \$35 million or three times the site preparation and on-site groundwater remediation costs, whichever is less.

Manufacturing projects: \$45 million or six times the site preparation costs and on-site groundwater remediation costs, whichever is less.

2. Remediated Brownfield Credit for Real Property Taxes

The amount of the credit is 25% of the product of the taxpayer's employment factor (a percentage based on the number of persons employed on a qualified site) and the taxpayer's "eligible real property taxes" (see section 22(b)(4) of the Tax Law).

Full Time Employees	0-24	25-49	50-74	75-99	100 or more
Employment No. Factor	0%	25%	50%	75%	100%

If the Site is located in an En-Zone the credit is 100% of the product of the employment factor and the real property taxes paid. There is a credit limitation equal to the product of the number of full time employees at the qualified site times \$10,000. For instance, if the eligible real property taxes are \$50,000 and the taxpayer employs 100 employees:

- Outside of an En-Zone: the credit = \$12,500 (25% of 1.0 times \$50,000)
- Inside an En-Zone: the credit = \$50,000 (100% times 1.0 times \$50,000)

3. Environmental Remediation Insurance Credit

For premiums paid for Environmental Remediation Insurance up to the lesser of \$30,000 or 50% of the cost of the premiums.

An **En-Zone** is an area, designated by the Commissioner of Economic Development, that as of the 2000 census, has a poverty rate of at least 20% and an unemployment rate of at least $1\frac{1}{4}$ times the statewide unemployment rate.

A taxpayer must have been issued a **Certificate of Completion** from the Commissioner of Environmental Conservation to be eligible for these tax credits (see section 27-1419 of the Environmental Conservation Law).

Only costs incurred on or after the *date of execution* of the **Brownfield Cleanup Agreement** (see section 27-1409 of the Environmental Conservation Law) are eligible for purposes of computation of these credits.