



Galli Engineering, P.C.

Understanding NYS Brownfield Cleanup Tax Credits

Galli Engineering, P.C. currently has four (4) sites that have been recently accepted into the NYS Brownfield Cleanup Program. We can help you understand your next move as a property owner or developer. With all these new programs that NY is offering, Galli Engineering, P.C. can assist you on your next step forward. ***Don't allow your next project to stagnate. Contact us for more information.***

Brownfield Cleanup Program (BCP) tax credits

Three refundable tax credits are available for taxpayers who remediate a Brownfield: (1) A Brownfield redevelopment credit of 10% to 22% is dependent on remediation level, location and type of taxpayer (personal or corporate); (2) A credit for real property taxes for remediated Brownfields based on number of employees at the location can reach 100% of real property taxes; and (3) Environmental remediation insurance credit for remediation insurance premiums up to \$30,000 or 50% of premium cost, whichever is less.

Brownfield tax credit fact sheet

- Site preparation costs (expenses related to qualification for a remediation certificate or preparing a site for development)
- Tangible property costs (similar to ITC credit, e.g. buildings and structural components thereof)
- On-site groundwater costs (remediation of groundwater contamination) This Credit is calculated using the following % of the costs for each component that qualifies for the credit:

Taxpayer Base Track 1 En-Zone Maximum

Article 22	10%	+2%	+8%	20%
All others	12%	+2%	+8%	22%

This credit increases by 2 % if the Site is remediated to a cleanup level (Track 1) that will allow the site to be used for any purpose without restriction (see subdivision 4 of section 27-1415 of the Environmental Conservation Law) and another 8% if at least one half of the Site is located in an Environmental Zone (En-Zone - see description below).

2. Remediated Brownfield Credit for Real Property Taxes

For real property taxes paid for a qualified site. 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 by the taxpayer on a qualified site) and the taxpayer's "eligible real property taxes" (see section 22(b)(4) of the Tax Law).

Full-Time Employees 0–2425–4950–7475–99>100

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

3. Environmental Remediation Insurance Credit

For premiums paid for Environmental Remediation Insurance (see section 3447 of the Insurance Law) 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 as such by December 31, 2003. The area, as of the 2000 census, must have a poverty rate of at least 20% and an unemployment rate of at least 1 1/4 times the statewide unemployment rate.

A taxpayer must have been issued a Certificate of Completion (also referred to in the law as a Remediation Certificate) 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 the credit.



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