



## NYS Brownfield Tax Credits Fact Sheet

New York State has established the Brownfield Tax Credit program to encourage the cleanup and redevelopment of privately owned sites across the state in an effort to promote the revitalization of economically and environmentally blighted areas. The program offers two types of tax credits to developers:

- Intangible credits – include costs incurred during site preparation and remediation of on-site groundwater including costs to make the site usable for redevelopment (i.e. remediation, demolition, excavation, fencing, security).
- Tangible credits – include costs (depreciable property with a useful life of 15) associated with redeveloping the site such as buildings and manufacturing equipment.

### Who Is Eligible for the Brownfield Tax Credits

Any taxpayer, whose site has been accepted into the Brownfield Cleanup Program on or after July 1, 2015 is eligible for the brownfield tax credits. To be accepted into the Brownfield Clean-up program contaminants must be present above clean-up soil clean-up objectives.

### What are the Tax Credits?

Once the applicant completes the site investigation and remediation agreed to with the NYSDEC the site receives a Certificate of Completion (COC). With issuance of the COC the applicant receives liability release for the NYS and is eligible for available tax credits including:

*Site Preparation Tax Credits* - based on the site preparation costs to achieve clean-up. For example, if the site is remediated to industrial, less restrictive clean-up standards, the site is eligible for 22% tax credit. Whereas if the site is remediated to residential clean-up standards the site eligible for a 50% tax credit. Site Preparation Tax Credits are first claimed in year the COC is issued, then for up to 5 taxable years.

*Tangible Tax Credits* – the site's tangible costs are eligible for a 10% baseline tax credit plus up to max of 24% based on the following enhancers:

- 5% for BOA sites developed in conformance with BOA plan
- 5% for affordable housing
- 5% for manufacturing sites
- 5% for sites within an En-Zone
- 5% for sites remediated to Track 1

The tangible Tax Credits can be claimed in year the asset is placed in service, for up to 10 taxable years after year COC is issued. However, the tangible property credit component is capped as follows:

- Non-manufacturing sites: lesser of \$35M or 3x site preparation costs; and
- Manufacturing sites: lesser of \$45M or 6x site preparation costs

The tax credits are claimed on a NYS income or franchise tax return when the site receives its Certificate of Completion.

## Example

Provided below is an example of how Brownfield Tax Credits apply to a site.

- Costs
  - Site preparation: \$800,000
  - Tangible property: \$35,200,000
- Assume
  - Site cleaned to industrial clean-up standards
  - Redeveloped as a manufacturing site
  - Site is located in an En Zone.

### Eligible Tax Credits

- Site Preparation 22% x \$800,000 = \$172,000
- Tangible Tax Credits 30% x \$35,200,00 = \$10,560,000
  - Max allowed \$45M or 6 x site preparation costs (6 x \$800,000 = \$2,400,000) therefore available tax credit is \$2,400,000.

**Total Available tax credit = \$172,000 + \$2,400,000 = \$2,572,000**

*This information is provided for preliminary overview,  
for more detailed information please visit*

NY department of Taxation <https://www.tax.ny.gov/pit/credits/brownfield-credits.htm>

NYSDEC <https://www.dec.ny.gov/chemical/8450.html>

Please contact us for additional information

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