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The State's Voluntary Cleanup Tax Credit – Can You Benefit?

Do you own or do you know someone considering the purchase of a distressed property? By distressed I mean property with actual or perceived environmental contamination issues. These issues could be the result of past drycleaning activities, industrial/manufacturing operations, golf courses, nurseries, etc. Since 1998, the State of Florida has encouraged voluntary cleanup of distressed properties by awarding corporate income tax credits to offset site rehabilitation or solid waste removal costs through the Voluntary Cleanup Tax Credit program. Participants may be private or public entities, but they must meet the eligibility criteria established under Sections 376.3078, 376.30781, and 376.82, F.S, as applicable, and they must enter into either a Voluntary Cleanup Agreement, for drycleaning solvent cleanup, or a Brownfield Site Rehabilitation Agreement. Tax credit certificates are awarded by the Florida Department of Environmental Protection from an annual \$5 million authorization from the Florida Legislature and are valid against Florida Corporate Income Tax.

The reuse of distressed property is an important component of sound land use policy. Productive reuse of urban land helps prevent the premature development of farmland, open space and natural areas, and reduces the public cost for installing new water, sewer and highway infrastructure. Filings and interest in the VCTC have increased every year since the program's inception. Current credit information is provided below. If you think you could benefit from the program or would like additional information, call Matanzas or visit: <http://www.dep.state.fl.us/waste/categories/vctc/default.htm>

Tax Credit Type	Application Frequency	Maximum Credit for Costs Incurred after 06/30/2006	
		50%	\$500,000
Site Rehabilitation	Annually	50%	\$500,000
No Further Action (i.e., SRCO)	Once	25%	\$500,000
Affordable Housing	Once	25%	\$500,000
Health Care Facility or Provider	Once	25%	\$500,000
Solid Waste	Once	50%	\$500,000