



Florida Department of Environmental Protection

Voluntary Cleanup Tax Credit Program

(Application Webinar, November 2017)

**Scott Sweeney
VCTC Program Manager
Bureau of Waste Cleanup**





Overview

Voluntary Cleanup Tax Credit (VCTC) Program

- History and statistics
- Eligibility requirements
- Types of tax credits
- Application requirements
- Process
- Improving your application
- Common issues
- Agreed-upon standards and entity tracking



Voluntary Cleanup Tax Credit

Florida Statute 376.30781

- *Incentive to encourage voluntary cleanup by awarding corporate income tax credits to offset site rehabilitation or solid waste removal costs*



Tax Credit History

741 tax certificates issued to date

Total awarded \$81.5 million

136 applications for 2016 costs with awards estimated at \$14.3 million



Eligibility Requirements

Executed Cleanup Agreement (by December 31)

- Voluntary Cleanup Agreement (VCA)
 - Drycleaning Solvent Cleanup Program (DSCP) sites
 - Drycleaning-solvent contaminated sites where the real property owner has not owned or operated the drycleaning facility
- Brownfield Site Rehabilitation Agreement (BSRA)



Eligible Costs

“integral to site rehabilitation”

As required by Chapter 62-780,
Florida Administrative Code

Examples include:

- Site assessment activities
- Remedial actions
- Solid waste removal from eligible Brownfield sites
- Legal assistance (directly related to the voluntary cleanup, such as drafting/negotiating an Institutional Control)





Eligible Costs

Solid Waste Removal

from eligible Brownfield sites; examples include:

- Transport and disposal
- Sorting and screening
- Recycling solid waste



Tax Credit Types & Amounts

	Tax Credit Type				
	Site Rehabilitation	Site Rehabilitation Completion Order (SRCO)	Affordable Housing	Health Care	Solid Waste Removal
Maximum Credit for Costs Incurred and Paid from 07/01/1998 to 06/30/2006	35% \$250,000	10% \$50,000	N/A	N/A	N/A
Maximum Credit for Costs Incurred and Paid after 06/30/2006	50% \$500,000	25% \$500,000	25% \$500,000	N/A	50% \$500,000
Maximum Credit for Costs Incurred and Paid after 12/31/2007	50% \$500,000	25% \$500,000	25% \$500,000	25% \$500,000	50% \$500,000



Application Requirements

Submit (*by January 31 deadline*):

- A completed application with a \$250 application review fee
- Supporting documentation
 - Cover and signature page(s) from BSRA or VCA
 - Contractual records, payment requests, and complete payment records
 - CPA Report
 - P.E./P.G. certification
 - SRCO and other bonus materials (as applicable)



What Happens Next?





Improving Your Application

Keep it organized!

Clear and detailed records

- Contract and/or detailed scope of work
- Detailed payment requests/invoices
- **Complete** payment records

Make sure your application is complete

- Include the \$250 review fee
- Signed and sealed
- Include CPA report and BSRA/VCA pages



Organization

Cover letter with application fee (check)

Application

- Maintain order
- Don't clutter with other components

Contracts and/or Scopes of Work, Invoices, and Payment Records

- Should follow logically
- Can be grouped by scope, if applicable

Other components can be grouped after application section . . . or at the end



Common Issues

- ***Make sure to include all the components.***
- Invoiced items should be covered by a presented contract or scope of work, even if scope is from previous year.
- Either the scope should have cost details, or the invoice needs a cost breakdown.
- Copies of checks are not complete pay records. Cancelled checks ideal.
- Technical certifications need to be sealed; that seal needs to be apparent in documentation.



Agreed-Upon Procedures

The CPA review, as described in the “Agreed-Upon Procedures,” covers several things, including:

- Accuracy and validity of payment information
- Costs incurred within the target calendar year
- Payment requests and/or costs not duplicated
- ***Applicant entity is the signatory to the cleanup agreement and is also the entity that incurred and paid the cleanup costs***



Clarifying Entity Issues

For example:

- Applicant: “2600 Blair Stone, LLC”
- BSRA signatory: “2600 Blair Stone, LLC”
- Some/most/all costs paid by “Happy Property Partners”





Proposed Changes

- Updating the “Agreed-Upon Procedures”
- If the same entity (name) is not the applicant, cleanup agreement signatory, **and** entity that incurred/paid costs, statement needed in CPA Report to clarify how entities are ***the same***
- Document included in application to support CPA Report clarification on entity relationship



Contacts

Scott Sweeney, VCTC Program Manager

(850) 245-8958

Scott.L.Sweeney@dep.state.fl.us

Carrie Kruchell, P.G., Brownfield Environmental

Manager, (850) 245-8765

Carrie.L.Kruchell@dep.state.fl.us



On the Web

VCTC

<https://floridadep.gov/waste/waste-cleanup/content/voluntary-cleanup-tax-credit>

Brownfields

<https://floridadep.gov/waste/waste-cleanup/content/brownfields-program>



Questions

