

**City of Philadelphia – Department of Revenue**  
**Business Income and Receipts Tax**  
**Green Roof Tax Credit**

Application/Approval Process

1. Taxpayer submits building plans (with engineer's report) to the Department of Licenses and Inspections ("L&I").
2. L&I reviews and approves the building plans.
3. L&I issues the taxpayer a building permit.
4. Green Roof Tax Credit Application - The taxpayer files a Green Roof Tax Credit Application with the Revenue Department. The application includes the following:
  - Location of the proposed Green Roof;
  - A copy of the building permit issued by L&I;
  - A copy of the engineer's report that certifies that the roof is structurally sound for the construction of a Green Roof;
  - The total square footage of the rooftop;
  - The total square footage of the proposed Green Roof; and
  - The total projected costs to construct the Green Roof.
5. The Revenue Department will approve the application if it contains all the required information.
6. Commitment Agreement - Upon approval of the application, the taxpayer must execute a Commitment Agreement with the Revenue Department setting forth the following:
  - The plans for the Green Roof, as approved by L&I, must cover at least 60% of the building's rooftop;
  - The total projected construction costs for the Green Roof;
  - The maximum Green Roof Tax Credit the taxpayer may claim;
  - The taxpayer's commitment to maintain the Green Roof for a period of 5 years after the date of its completion and the taxpayer's acknowledgment that it is bound to repay any tax credits taken for failure to abide by the terms of the Commitment Agreement.
7. The construction of the Green Roof is completed and upon final inspection by L&I, a Certificate of Approval (or Occupancy) is issued to the taxpayer.
8. Addendum to the Commitment Agreement – Where the *actual* costs to construct the Green Roof are greater or lesser than the *proposed* costs noted on the original Commitment Agreement, the taxpayer will need to execute with the Revenue Department an Addendum to the Commitment Agreement to adjust the allowable credit to the lower of \$100,000 or fifty percent (50%) of the *actual* costs to construct the Green Roof.  
  
**Note:** *Where the proposed costs on the original Commitment Agreement were greater than or equal to \$200,000 and the actual costs to construct the Green Roof exceed the original proposed costs, the taxpayer will not need to execute an Addendum to the Commitment Agreement since the allowable credit cannot exceed \$100,000.*
9. Certification / Credit. After the taxpayer and the Revenue Department have executed a Commitment Agreement (and if required, an Addendum to the Commitment Agreement) and L&I has issued its Certificate of Approval (or Occupancy) , the taxpayer will certify to the Revenue Department on all Business Privilege Tax returns for which the credit or any part thereof is claimed that:

- A complete and accurate application has been made;
- A Commitment Agreement and if necessary, an Addendum to the Commitment Agreement has been executed;
- All required permits and certificates as required by L&I have been obtained;
- Compliance with all applicable tax ordinances, regulations and published policies;
- The *actual* costs to construct the Green Roof and the date of its completion; and
- The credit being taken on the current return as well as the unused portion of the credit (that will be taken in future tax years).