

# CITY OF PHILADELPHIA



## GREEN ROOF TAX CREDIT

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### 2015 ANNUAL REPORT

Submitted by:

The City of Philadelphia, Department of Revenue

December 2016

*As required by Section 19-2604(8)(f) of The Philadelphia Code*



# CITY OF PHILADELPHIA

DEPARTMENT OF REVENUE  
Municipal Services Building  
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FRANK BRESLIN, CPA  
Revenue Commissioner  
Chief Collections Officer

December 27, 2016

The Honorable James Kenney  
Mayor  
City of Philadelphia  
215 City Hall  
Philadelphia, PA 19107

Dear Mayor Kenney:

I am pleased to transmit herewith a report summarizing the City's experience in 2015 regarding the Green Roof Tax Credit Program, as required by Section 19-2604(8)(f) of The Philadelphia Code. Copies of this report are being sent to the President and the Chief Clerk of City Council as required.

Sincerely,

A handwritten signature in blue ink, appearing to read "Frank Breslin".

Frank Breslin  
Revenue Commissioner & Chief Revenue Collections Officer

Enclosure

Cc: Council President Darrell Clarke  
Michael Decker, Chief Clerk of Council  
Rob Dubow, Finance Director

**Green Roof Tax Credit Program**  
**2015 Annual Report**

**Background**

The ordinance creating the Green Roof Tax Credit Program was approved April 12, 2007 and was effective for Business Income and Receipts Tax ("BIRT") Tax Year 2007 and thereafter. The Green Roof Tax Credit is provided to a business for the construction of a roof that supports living vegetation. The Credit that may be claimed is twenty-five percent (25%) of all costs incurred to construct the Green Roof not to exceed \$100,000. (*Note: City Council Bill No. 150078 increases for Tax Year 2016 and thereafter the credit to fifty percent (50%) of the construction costs not to exceed \$100,000*). Any unused credit for a given BIRT Tax Year can be carried forward until fully used; but, the credit is not refundable. A maximum of \$1 million in Green Roof Credits are available each year.

A business seeking the Green Roof Tax Credit must file an application with the Revenue Department. The Revenue Department will approve the application if it contains all the required information and if the applicant is compliant with all City and School District Taxes. After approval of the application, the applicant must execute a Commitment letter with the Revenue Department adhering to certain statutory requirements which include the applicant's commitment to maintain the Green Roof for a period of five (5) years after completion. The applicant, after certifying the construction of the Green Roof in accordance to the plans that were approved by the Department of Licenses and Inspections (and incorporated into the Commitment letter) may seek to claim the credit on the BIRT return for the Tax Year in which the construction of the Green Roof was completed.

### Applications

Since the inception of the program in 2007 through the end of Calendar Year 2015, 17 businesses have submitted applications to participate in the Green Roof Tax Credit Program.

<u>Calendar Year</u>	<u>Number of Green Roof Applicants</u>	<u>Approved Green Roof Applicants</u>
2007	0	0
2008	0	0
2009	0	0
2010	2	2
2011	2	2
2012	3	3
2013	4	3
2014	0	0
2015	6	6
<b>TOTAL</b>	<b>17</b>	<b>16</b>

Of the 17 applicants, one 2013 applicant was denied based on irregularities in their submitted documents; resulting in 16 approved applications. The total value of all credits approved through 2015 is \$401,093.

### Credit Usage

Eleven of the 16 approved applicants have completed the construction of their Green Roofs and have received a credit, either in full credit or a portion of their credit (any unused credit may be carried forward until entirely utilized).

The total amount of Green Roof Credits claimed on program participants' BIRT returns within Calendar Year 2015 is \$16,088. The total amount of credits applied to program participants' BIRT returns from the inception of the Green Roof Tax Credit Program in Tax Year 2007 through Tax Year 2015 is \$167,495.