



CITY OF PHILADELPHIA

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

July 7, 2017

The Honorable James F. 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 2016 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.

Very truly yours,

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

Commissioner Frank Breslin
Chief Revenue Collections Officer

Enclosure

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

CITY OF PHILADELPHIA



GREEN ROOF TAX CREDIT

2016 ANNUAL REPORT

Submitted by:

The City of Philadelphia, Department of Revenue

July 2017

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

GREEN ROOF TAX CREDIT PROGRAM ANNUAL REPORT 2016

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. For tax years 2007 through 2015, the credit that may have been claimed was twenty-five percent (25%) of all costs incurred to construct the green roof, not to exceed \$100,000. For tax years 2016 and thereafter, per City Council Bill No. 150078, the credit to be claimed was increased to fifty percent (50%) of all costs incurred to construct the green roof, 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 Department of Revenue. The Department of Revenue 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 Department of Revenue, 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 2016, 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
2016	0	0
TOTAL	17	16

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 2016 is \$688,682.

Credit Usage

Twelve of the 16 approved applicants have completed the construction of their Green Roofs. Three applicants have fully utilized their approved Green Roof Tax Credit. Seven applicants have utilized a portion of their approved credit (any unused credit may be carried forward until entirely utilized). Two applicants completed their Green Roofs in May 2016. They can utilize their Green Roof Tax Credit on their 2016 BIRT, due April 15, 2017.

The total amount of Green Roof Credits claimed on program participants' BIRT returns within Calendar Year 2016 was \$17,271. 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 2016 is \$179,615.