



# CITY OF PHILADELPHIA

DEPARTMENT OF REVENUE  
Municipal Services Building  
1401 John F. Kennedy Boulevard  
Philadelphia, PA 19102  
(215) 686-6400  
FAX (215) 686-6537

FRANK BRESLIN, CPA  
Revenue Commissioner  
Chief Collections Officer

June 28, 2018

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 2017 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 that reads "Frank Breslin".

Commissioner Frank Breslin  
Chief Collections Officer

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Enclosure

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



# GREEN ROOF TAX CREDIT

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## 2017 ANNUAL REPORT

Submitted by:  
The City of Philadelphia, Department of Revenue  
June 2018

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

## **GREEN ROOF TAX CREDIT PROGRAM ANNUAL REPORT 2017**

### **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 2017, 22 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
2017	5	5
<b>TOTAL</b>	<b>22</b>	<b>21</b>

Of the 22 applicants, one 2013 applicant was denied based on irregularities in their submitted documents; resulting in 21 approved applications. The total value of all credits approved since 2007 through 2017 is \$805,453.

## Credit Usage

Fifteen of the 21 approved applicants have completed the construction of their Green Roofs. Five applicants have fully utilized their approved Green Roof Tax Credit. Ten applicants have utilized a portion of their approved credit (any unused credit may be carried forward until entirely utilized). Three applicants completed their Green Roofs in 2017. They can utilize their Green Roof Tax Credit on their 2017 BIRT, due April 17, 2018.

The total amount of Green Roof Credits claimed on program participants' BIRT returns within Calendar Year 2017 was \$220,206. 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 2017 is \$399,821.