



Environmental Remediation (Brownfield) Tax Credit Checklist

Environmental Remediation (Brownfield) credits are available for qualified expenses in cleaning up contaminated properties in the state of Colorado. This generous credit provides up to \$525,000 in credits depending on how expensive the cleanup project is.

In order to be eligible for a Brownfield tax credit, the following steps need to be completed:

1. Projects must meet CDPHE (Colorado Department of Public Health and Environment) Voluntary Cleanup Program (VCUP) eligibility requirements and applicants must schedule a pre-application meeting with CDPHE staff prior to applying. For more information, contact Fonda Apostolopoulos, VCUP Program Coordinator at 303-692-3411 or Doug Jamison, Superfund/Brownfields Unit Leader at 303-692-3404.

2. Complete and submit a VCUP or No Action Determination (NAD) application to CDPHE.

VCUP applications must follow the format described in CDPHE's Voluntary Cleanup Roadmap (VCUP Roadmap) available at:

https://www.colorado.gov/pacific/sites/default/files/HM_Voluntary-Cleanup-Roadmap-02_0.pdf

Applicants to the program can apply for either a Voluntary Cleanup Plan or a No Action Determination. Voluntary Cleanup Plans are required when remediation is necessary to address on-site contamination. NADs can be applied for if a property owner has previously completed a VCUP or if a property is clean but being impacted by an off-site source of contamination. Both VCUP and NAD applications must be prepared by a qualified environmental professional and require the following information:

- General Information – Identification of property owner and contact information; property description; current land use; and proposed land use
 - Program Eligibility Information – Describe if property is subject to other regulatory authority as described in the VCUP Roadmap.
 - Environmental Assessment – Site Characterization information can be provided in the form of an ASTM 1527-13 compliance Phase I and/or Phase II environmental site assessment with additional information as outlined in CDPHE's VCUP Road Map
 - Risk Determination – Applications must include a risk based analysis of contaminants and all exposure pathways which details how proposed remediation will obtain acceptable risk levels
3. Cleanup applications also require the following additional information:
 - Cleanup Proposal – The proposal will provide a detailed description of methods to remove, stabilize, or otherwise address sources of contamination.

- Cleanup Completion Report/Certification – A qualified environmental professional shall submit a report which demonstrates and certifies that remediation was completed according to the application.
4. Applicants intending to take advantage of the tax credit must provide notification to CDPHE in the form of a letter submitted concurrently with the VCUP application. The Tax Credit Notification letter must contain the following information:
 - Identify the owner of the property who will be performing the voluntary cleanup and receiving the tax credit
 - An environmental cost estimate for the project including:
 - a. Project design costs for environmental remediation.
 - b. Materials management cost (disposal fees, trucking, moving contaminated soils etc.).
 - c. Vapor Mitigation costs (if applicable).
 - d. Project certification and closure costs (analytical costs for groundwater/soils, etc.)
 - e. Year project will be completed and applying for tax credit.
 - f. Total Project Redevelopment Cost (Environmental and Capital Improvement Costs).
 - g. Estimate of post redevelopment property value.
 5. Applicants will be required to provide a final report and certify completion of an approved VCUP application or receive a “No Action Determination” from the VCUP program following completion of cleanup activities in order to receive a tax credit certification letter from CDPHE.
 6. CDPHE requires applicants to submit documentation of project environmental remediation costs to include invoices, cancelled checks (front and back) and other appropriate documents.
 7. Project costs will be verified and then CDPHE will issue a tax credit certification letter to the applicant and the Department of Revenue.
 8. You will earn credits at the rate of 40% of the first \$750,000 in qualified costs and 30% of any costs between \$750,000 and \$1.5M up to a maximum credit of \$525,000 per project. There is a statewide cap of \$3M on a first come, first served basis.
 9. If you can't use all of your credits, Tax Credit Connection will sell any credits you can't use for 83% of the face value. If you sell \$100,000 of tax credits, you'll get \$83,000. Matching you up with a buyer usually only takes a week or so and then you get your check!

For more information, please contact:

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This information is not intended to be legal or financial advice. Please consult your own advisor.