



GREEN·SEIFTER
ATTORNEYS, PLLC

110 WEST FAYETTE STREET · ONE LINCOLN CENTER · SUITE 900 · SYRACUSE NEW YORK 13202 · P 315 422 1391 · F 315 422 3549
194 WASHINGTON AVENUE · SUITE 315 · ALBANY NEW YORK 12210 · P 518 689 3570 · F 518 689 3571

BROWNFIELD CLEANUP PROGRAM TAX CREDIT UPDATE
FEDERAL BROWNFIELDS TAX INCENTIVE EXTENDED THROUGH 2007

By Philip S. Bousquet

The Tax Relief and Health Care Act of 2006 (TRHCA), signed into law by President Bush on December 20th, extends the federal brownfields tax incentive through December 31, 2007. The federal brownfields incentive permits taxpayers to deduct (rather than capitalize) qualified environmental remediation expenditures.

Most taxpayers will elect to deduct their eligible brownfield cleanup costs. However, New York taxpayers eligible for state income tax credits under the Brownfield Cleanup Program (BCP) will have to carefully analyze this choice – BCP credits may not be available for qualified cleanup costs deducted under the federal brownfields tax incentive. Election of the federal incentive would not disqualify taxpayers from BCP credits based on other costs or capital investment eligible under the BCP.

TRHCA also expands the federal incentive to include qualified costs paid or incurred after December 31, 2005, with respect to sites contaminated with petroleum products.

For further information, please contact Phil Bousquet 315.701.6309 / phil@gslaw.com or Lowell Seifter 315.701.6307 / lseifter@gslaw.com.