

Florida & Alabama Annual Brownfields Conference 2021 2X

Virtual Conference Oct 26-27, 2021 - In-Person Conference April 24-27, 2022

VCTC Application Submission

Making Sense/Cent\$

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Voluntary Cleanup Tax Credit

V-C-T-C

ViC-TiC

This is Vick Tick

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VCTC application Submission:

Does it always make sense?

Yes! For the most part, as the VCTC Program is well defined.

- ▶ Sites required to have an executed BSRA or a VCA (Lisa discussed)
- ▶ Specific Tax Credit Types
- ▶ Consistent **Completeness** requirements (I'll call them "CARDS")
 - ▶ **Completeness/Eligibility** Phases (Scott will focus on this)
- ▶ Quantifiable results



The VCTC Program is well defined.

Tax Credit Type	% of Eligible Cost Awarded	Work Completed:	Application Submitted:
Annual Site Rehab	50% (\leq \$500K)	Each December 31st	By January 31 st for the prior CY costs
<i>SRCO Bonus</i>	25% (\leq \$500K)	<i>When SRCO (NFA) is issued</i>	<i>Once: Within 1 year of SRCO issuance</i>
<i>Health Care/ Affordable Housing Bonus</i>	25% (\leq \$500K)	<i>When Req's Met</i>	<i>Once: Applicant's Choice</i>
Solid Waste Removal	50% (\leq \$500K)	Applicant's Choice	Once: Applicant's Choice

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The VCTC Program is well defined.

- ▶ Consistent **Completeness** requirements (CARDS)
(Site Rehab and Solid Waste):
 - ▶ **C** – CPA Review, Attestation & Report
 - ▶ **A** – Application Form and \$250 Non-Refundable Review Fee
 - ▶ VCTC Application Form | Florida Department of Environmental Protection
 - ▶ **R** – Receipts Reconciliation (Invoices and Proof of Payment by the Applicant)
 - ▶ **D** – Documentation (BSRA/VCA, Contracts, Scope of Work, PE/PG Memo re: Prorated Costs)
 - ▶ **S** – Submitted On Time for Site Rehab and SRCO Bonus!



The VCTC Program is well defined.

- ▶ Has quantifiable results since 1998
 - ▶ **About 1420** Applications submitted
 - ▶ Almost **\$139 Million** awarded to local governments and private entities
 - ▶ Must have Florida Corporate Income Tax to use the VCTC
 - ▶ Many VCTC Certificates are sold or transferred to private entities (Sue Ellyn will talk about this)
 - ▶ This is allowed one-time per certificate issued



Does it
always make
Cent\$?



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Does it always make Cent\$?

- ▶ Cost/Benefit - some necessary costs are not eligible
 - ▶ Application preparation/submittal and Independent CPA costs not eligible
 - ▶ Costs incurred and paid total \$25K
 - ▶ If eligible costs are \$15,000, and Application and CPA costs are \$7K, then the VCTC Award is \$7,500, while it costs \$7k to submit the Application
- ▶ **But**, don't forget about the 25% Bonuses!
 - ▶ Approved Annual Site Rehab costs may be eligible for up to two (2) Bonuses:
 - ▶ First Bonus (SRCO is most common);
 - ▶ Add **\$3.75K** to the **\$7.5K** above for a total of **\$11,250**
 - ▶ Second Bonus (HC/AH)
 - ▶ Add another **\$3.75K** to the above for a total of **\$15,000**



Does it always make cent\$?

Cost/Benefit things to keep in mind for the Eligibility Phase

- ▶ **BF Area Designation** vs BSRA
 - ▶ BSRA must be executed by 12/31 - allow enough time
- ▶ Rehabilitation vs **Redevelopment**
- ▶ Biz Transactions vs VCTC Calendar Year costs incurred by 12/31 then paid by 1/31
 - ▶ When did the Applicant start the work?



Back to those obnoxious “Golden Udders”
- October is Breast Cancer
Awareness Month!

Yours are Golden too -
Don't forget your self-exams and
mammograms!



Any Questions?

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