

# STATE OF COLORADO

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Dedicated to protecting and improving the health and environment of the people of Colorado

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Colorado Department  
of Public Health  
and Environment

July 17, 2014

## Colorado Brownfields Tax Credit Notification Requirements

On May 15, 2014, Governor Hickenlooper signed Senate Bill 14-073, reinstating the Colorado Brownfields Tax Credit, for properties which qualify under the Voluntary Cleanup Program. This Tax Credit is available for taxpayers and/or qualifying entities who perform environmental remediation associated with a new capital improvement or redevelopment projects. In order to qualify for the tax credit, applicants must submit a Voluntary Cleanup Plan (VCUP) to the Colorado Department of Public Health and Environment (CDPHE). VCUP applications submitted to CDPHE after January 01, 2014 may be eligible for the credit.

Qualifying environmental remediation costs are eligible for a 40% credit on the first \$750,000, and 30% on the amount between \$750,000 and \$1,500,000. The maximum credit available is \$525,000.

Applications must take the following steps to be eligible for state Brownfield Tax Credits:

1. Applicants must meet in advance of applying for a Voluntary Cleanup Plan with the CDPHE Voluntary Cleanup Program.
2. Applicant must identify declare the owner of the property who will be performing the voluntary cleanup and receiving the tax credit.
3. Applicant must provide an environmental cost estimate for the project including the following:
  - 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 confirmation of groundwater or 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.

Because there is a \$3,000,000 fiscal note that limits the total amount of credit available per year, tax credits will be allocated on a first-come, first served basis.

Applicants will be required to receive a “No Action Determination” from the VCUP Program in order to receive a tax credit certification from CDPHE. To enable certification of eligible credits, CDPHE will require applicants to submit documentation of project environmental remediation costs, including invoices, cancelled checks (front and back), and other appropriate documentation. Once project costs are verified, CDPHE will issue a “No Action Determination” for the project, and a Tax Credit Certification Letter to the applicant and the Colorado Department of Revenue.