

Brownfields Tax Incentive

In August 1997, President Clinton signed the Taxpayer Relief Act (TRA), which includes a Brownfields Tax Incentive designed to spur the cleanup and redevelopment of properties with hazardous substance contamination. Under this federal tax incentive, certain environmental cleanup costs at eligible properties are fully deductible business expenses in the year in which costs are incurred or paid. The TRA applies between the date of enactment (August 5, 1997) through December 31, 2000.

Note: Under a 1994 IRS ruling, taxpayers who are cleaning up a property and are responsible for the property's contamination are already able to deduct environmental cleanup costs in the year they're incurred. In these situations, the TRA provides no additional benefits.

In order to take advantage of tax benefits under the TRA, taxpayers must receive a certification statement from a state environmental agency. In Oregon, DEQ is the agency that certifies eligible properties.

It is the taxpayer's responsibility to determine whether a property qualifies for TRA benefits. The tax incentive is applicable to properties meeting specified criteria. First, there must have been a release, or threat of a release, of hazardous substances at the site. Releases of petroleum products are excluded. Second, the property must be in a targeted area (either a Brownfields Pilot area or Enterprise Community, or an area where at least 20% of the population is below the poverty level). A three-page Factsheet produced by the U.S. Environmental Protection Agency (EPA) describes the eligibility criteria in more detail, and provides references for determining if your property meets the criteria.

To apply for DEQ certification under the Brownfields Tax Incentive, you must fill out a Submittal Form and Affidavit*, and mail the completed documents to:

*Brownfields Tax Incentive
Attn.: Kevin Dana
Department of Environmental Quality
811 SW 6th Ave.
Portland, OR 97204*

DEQ will review the submitted information, and mail you a certification letter if your property qualifies for the Brownfields Tax Incentive. You may be asked to provide additional information (such as a zoning map, photographs, or site sampling data) if it cannot be determined whether your property qualifies for the tax incentive.

Note: Information on contaminated or potentially contaminated properties will be added to DEQ's Environmental Cleanup Site Information (ECSI) system, an electronic filing system. ECSI records basic information such as a property's location, history, and amount and type of suspected or confirmed contamination. This information is made available to the public through OPENS (Oregon Public Environmental Systems). Properties with a confirmed release of hazardous substances may also be added to the Confirmed Release List and the Inventory of Hazardous Substances Sites list.

For More Information:

If you have questions about the Brownfields Tax Incentive, please contact *Kevin Dana*, (503) 229-6629, (dana.kevin@deq.state.or.us). In Oregon call toll-free: (800) 452-4011.



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Quality

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