

Federal Brownfields Tax Incentive:

Alliance Environmental

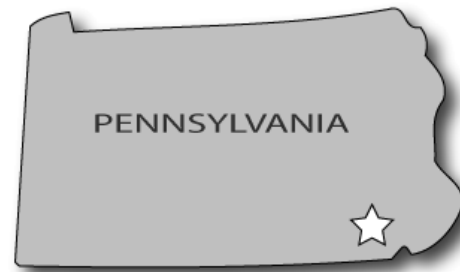
West Chester, Pennsylvania

Overview

The Federal Brownfields Tax Incentive encourages brownfields redevelopment by allowing taxpayers to reduce their taxable income by the cost of their eligible cleanup expenses. The Incentive was originally signed into law in August 1997 as part of the Taxpayer Relief Act. It was renewed in October 2004 through the Working Families Tax Relief Act of 2004 and continues until December 2005. To qualify for the Tax Incentive, three criteria must be met:

- The property must be held by the taxpayer incurring the cleanup cost for use in a trade or business;
- Hazardous substances must be present or potentially present on the property; and
- The taxpayer must obtain a statement from a designated state agency verifying eligibility for the Tax Incentive.

Designed to spur investment in blighted properties and assist in revitalizing communities, the Federal Brownfields Tax Incentive can serve as a critical tool in brownfields cleanup and redevelopment efforts.



Project Highlights

- The Federal Brownfields Tax Incentive was instrumental in enabling Alliance Environmental to clean up and redevelop an 8.5-acre former landfill and pharmaceutical property in an economically distressed neighborhood of West Chester, Pennsylvania.
- Now the location of the Good Will Business Park, which encompasses over 100,000 square feet of retail space, the property supports many tenants including a local volunteer fire department, the West Chester Area Senior Center, and a district court building.
- The Federal Brownfields Tax Incentive provided Alliance Environmental with nearly \$800,000 in tax relief.

