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House of Representatives
COMMONWEALTH OF PENNSYLVANIA
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MEMORANDUM

TO: Members of the House of Representatives

FROM: Representative Matt Smith

DATE: January 25, 2011

SUBJECT: Co-Sponsorship of Legislation – Re-introduction of HB 447 of 2009 – Amend the Tax Reform Code of 1971 (Act 2 of 1971) to Establish Green Roof Tax Credit

In the future, I intend to reintroduce legislation that would amend the Tax Reform Code of 1971 (Act 2 of 1971) to establish the Green Roof Tax Credit (formerly House Bill 447 of the 2009-2010 legislative session).

According to the Environmental Protection Agency, a green roof consists of vegetation planted in soil over a waterproof membrane. Besides being aesthetically pleasing, green roofs provide environmental and economic benefits. Such environmental benefits include the absorption of air pollutants, the reduction of urban heat islands by providing shade, and the reduction of sewage system loads through assimilation of large amounts of rainwater. Furthermore, green roofs protect underlying roofing material by eliminating a roof's exposure to ultraviolet rays and harsh temperature fluctuations. Aesthetically, green roofs serve as living environments for birds and other small animals, reduce noise pollution, and insulate a building from extreme temperatures.

The green roof tax credit provides a monetary incentive for individuals and businesses to build and maintain green roofs. Individual applicants can receive relief against the personal income tax of up to 25% of construction and maintenance costs incurred, with a maximum of \$100,000 annually, for up to six years. Business applicants can receive relief against the sales, franchise, or corporate net income tax of up to 25% of construction and maintenance costs incurred, with a maximum of \$100,000 annually, for up to six years. Finally, my legislation creates oversight mechanisms for the Department of Revenue, which include limitations on the tax credit, as well as credit clawback provisions.

Previous co-sponsors for former HB 447 included: Brennan, Briggs, Brown, Caltagirone, Fabrizio, Freeman, Gibbons, Harper, Josephs, Longiotti, McGeehan, Mustio, M. O'Brien, Payton, Petri, Scavello, K. Smith, Sturla, Swanger, and White.

If you would like to co-sponsor this legislation, please contact Jamie Fetter at (717) 783-1850 or email jfetter@pahouse.net.