



December 13, 2023

The Honorable Mikie Sherrill
1427 Longworth House Office Building
Washington, DC 20515

The Honorable Mike Turner
2183 Rayburn House Office Building
Washington, DC 2051

Dear Congresswoman Sherrill and Congressman Turner,

We, the undersigned, write to express our enthusiastic support for the reintroduction of the Brownfields Redevelopment Tax Incentive Reauthorization Act, which will allow taxpayers to fully deduct the cleanup costs of contaminated property in the year the costs were incurred. The brownfield tax incentive is an investment in economic development, community health, and communities marginalized by historic land use patterns and hazardous land uses: restoring this vital tax incentive is long overdue.

The federal Brownfield Tax Incentive was first passed in 1997 to allow parties who voluntarily investigated and remediated contaminated properties to deduct all cleanup costs on their federal income tax return of the year the money was spent. By allowing for expensing rather than requiring remediation deductions to be spread out over ten years, the tax incentive was a powerful driver of private investment in the economic revitalization of brownfields.

Before it expired in 2012, this deduction was used more than 625 times in more than 40 states and was gaining momentum. This deduction dramatically reduced the remediation costs – the largest single expense of taking on a brownfield – by one-third to one-half, depending on the combined income tax bracket (fed, state, local) of the party conducting the cleanup. The cash savings from this incentive could then be used to invest in the next brownfield project, exactly the behavior needed to accelerate cleanup of the nation’s contaminated sites.

The deduction encourages developers to take on seriously contaminated brownfields whose otherwise high cleanup costs would lead developers to search for simpler projects. By expensing remediation costs, the deduction makes contaminated sites far more competitive to develop. The lower effective cost of cleanup ushers in the economic gains that flow from new capital investment in communities across the country. New development brings both construction and permanent jobs, as well as housing, community facilities, retail, and office space that revitalizes communities.

Further, we also applaud the brownfields tax incentive as it has improved equity between polluters and those remediating pollution on a voluntary basis in the tax treatment of cleanup costs. Currently, those who caused the pollution are otherwise liable to conduct a cleanup are able to expense their cleanup costs. Restoring this incentive will again allow volunteers to do the same.

Brownfield clean-up and development are powerful tools to advance environmental justice by seeking to reduce exposure to environmental hazards and promote healthier communities in areas that may have been disadvantaged by the presence of contamination. We applaud the Brownfields Redevelopment Tax Incentive Reauthorization Act for providing a powerful means of advancing brownfields redevelopment.

We stand in support of this legislation and are eager to see it passed into law.

Sincerely,

The National Brownfields Coalition &

National Organizations

Association of State and Territorial Solid Waste Management Officials
Center for Creative Land Recycling
Congress for the New Urbanism
Environmental Council of the States (ECOS)
Groundwork USA
Local Initiatives Support Corporation (LISC)
LOCUS: Responsible Real Estate Developers & Investors
National League of Cities
Smart Growth America
The U.S. Conference of Mayors
U.S. Green Building Council
Youth Ministries for Peace & Justice

Regional, State, Local Organizations & Private Sector

Brownfields Coalition of the Northeast
Center for Planning Excellence (CPEX)
Charles B. Rangel Infrastructure Workforce Initiative

City of Kingston
City of New York
CT Dept. of Economic & Community Development
Factor Group Inc.
Greater Binghamton Chamber of Commerce
Greater Ohio Policy Center
Knauf Shaw LLP
Los Angeles Neighborhood Initiative
Metropolitan Area Planning Council
Minnesota Brownfields
New Jersey Future
Newtown Creek Alliance
Northfield Community LDC
NYC Brownfield Partnership
Real Estate Board of New York
Redevelopment Auth. of the City of Milwaukee
Renovare Development
Vektor Consultants
Wayne County IDA/ Wayne Economic Development Corporation