

# REAP TAX CREDIT PROGRAM



## SUMMARY

The REAP program provides PA tax credits based on the cost of implementing conservation practices that reduce nutrient and sediment pollution.

- Created by Act 57 of 2007; revamped under PA 2019 Farm Bill
- Administered by PA State Conservation Commission; PA Department of Revenue issues tax credits
- Annual program funding (2023): \$13 million
- Total funding since inception: \$36 million
- Funding Source: State Budget

## FEATURES

Three ways to participate:

- Use tax credits to reduce state income taxes. Once awarded, credits are good for 15 years and can be used to reduce any taxed income.
- Sell or transfer tax credits to another Pennsylvania taxpayer (must wait 1 year).
- Work with a sponsor that will help finance a farmer's BMPs; sponsor receives tax credits.

One of few programs that helps pay for no-till planters/drills, manure injectors, silvopasture, and cover crop equipment.

## ELIGIBILITY

### Who is Eligible?

Any individual or business subject to taxation by Commonwealth of PA. Includes Personal Income Tax, Corporate Net Income Tax, Capital Stock & Franchise Tax, Bank Shares tax, Title Insurance Company Premiums Tax, Insurance Premiums Tax, Mutual Thrift Institutions Tax.

### Eligible Costs

Common practices eligible for tax credits: no-till equipment, cover crops, waste storages, improved barn yards, precision ag equipment, stream improvement practices, and more

Range of reimbursement rates (50-90%): equipment and cover crops; plans and practices to improve animal concentration areas; forested riparian buffer, livestock exclusion from streams, soil health tests — in any watershed with a TMDL; erosion & sediment control and manure/nutrient management plans.

## HELPFUL TIPS

Consider a team approach to design your strategy. Combining REAP tax credits with other short-term loans/grants helps lower final cost of large projects and helps ensure timeliness of project payments.

Must have up-to-date erosion & sediment control and manure/nutrient management plans.

Can apply for practices proposed or already implemented.

## HOW TO APPLY

Apply to State Conservation Commission; Contact – Joel Semke, 717-705-4032 or [jsemke@pa.gov](mailto:jsemke@pa.gov).

First-come, first-serve basis; Deadline Oct 31, 2023.

[Program Website](#)

Link to application: [PA REAP Application](#)

