
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1248 Session of
2023

INTRODUCED BY STEELE, MADDEN, GIRAL, PROBST, SANCHEZ,
PISCIOTTANO, HILL-EVANS, KENYATTA, SIEGEL, HOHENSTEIN,
VITALI, BURGOS, CEPEDA-FREYTIZ, RABB, INNAMORATO, SHUSTERMAN,
McNEILL, KINKEAD, BOROWSKI, D. WILLIAMS, FIEDLER, OTTEN,
CONKLIN, KHAN, BRENNAN, GREEN, KRAJEWSKI AND MALAGARI,
MAY 24, 2023

REFERRED TO COMMITTEE ON FINANCE, MAY 24, 2023

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
2 act relating to tax reform and State taxation by codifying
3 and enumerating certain subjects of taxation and imposing
4 taxes thereon; providing procedures for the payment,
5 collection, administration and enforcement thereof; providing
6 for tax credits in certain cases; conferring powers and
7 imposing duties upon the Department of Revenue, certain
8 employers, fiduciaries, individuals, persons, corporations
9 and other entities; prescribing crimes, offenses and
10 penalties," providing for green roof tax credit.

11 The General Assembly of the Commonwealth of Pennsylvania
12 hereby enacts as follows:

13 Section 1. The act of March 4, 1971 (P.L.6, No.2), known as
14 the Tax Reform Code of 1971, is amended by adding an article to
15 read:

16 ARTICLE XIX-J

17 GREEN ROOF TAX CREDIT

18 Section 1901-J. Scope of article.

19 This article relates to a green roof tax credit.

20 Section 1902-J. Definitions.

1 The following words and phrases when used in this article
2 shall have the meanings given to them in this section unless the
3 context clearly indicates otherwise:

4 "Department." The Department of Revenue of the Commonwealth.

5 "Eligible rooftop space." The total space available to
6 support a green roof, as certified by a structural engineer.

7 "Green roof." An addition to a roof that supports living
8 vegetation and includes a synthetic, high-quality waterproof
9 membrane, drainage layer, soil layer and lightweight medium
10 plants.

11 "Tax credit." The green roof tax credit.

12 "Tax liability." For a taxpayer who is an individual, taxes
13 imposed under Article III and for all other taxpayers, taxes
14 imposed under Articles III, IV and VI.

15 Section 1903-J. Application.

16 A business or individual seeking a tax credit must file an
17 application with the department that includes the following:

18 (1) The address location of the proposed green roof.

19 (2) The total square footage of the rooftop.

20 (3) The total square footage of the eligible rooftop
21 space.

22 (4) The total square footage of the proposed green roof.

23 (5) The total projected costs to construct the green
24 roof.

25 (6) Proof that the applicant has received all required
26 permits and approvals to construct the green roof, after
27 first submitting to the local building code official the
28 plans for the green roof and a written analysis conducted by
29 a roof engineer that confirms and certifies the following:

30 (i) The condition of the roof is satisfactory for

1 green roof construction.

2 (ii) The structural capacity of the roof would
3 support the proposed green roof.

4 (iii) There is appropriate and safe access to the
5 roof for maintenance purposes.

6 (iv) The weight of the proposed green roof is
7 appropriate for the roof.

8 (v) The plans include appropriate irrigation and
9 drainage measures.

10 Section 1904-J. Commitment agreement.

11 The department shall approve an application for a tax credit
12 if the application contains all of the required information.

13 After approval, the applicant must execute a commitment
14 agreement with the department specifying the following:

15 (1) The plans for the green roof, as approved by the
16 local building code official, which must provide for a green
17 roof covering at least 50% of the building's rooftop or 75%
18 of eligible rooftop space.

19 (2) The total projected costs for the construction of
20 the green roof.

21 (3) The maximum tax credit the applicant may claim.

22 (4) The applicant's commitment to maintain the green
23 roof for a period of five years after the date of the roof's
24 completion and the applicant's acknowledgment that if the
25 taxpayer claims a tax credit and fails to incur the amount of
26 qualified construction or maintenance costs for a green roof
27 in that taxable year, the taxpayer shall repay to the
28 Commonwealth the amount of the tax credit claimed under this
29 article for the green roof.

30 Section 1905-J. Certification and credit.

1 (a) General rule.--After the applicant and the department
2 have executed a commitment agreement, and upon certifying to the
3 department the total costs actually incurred and proof of
4 completion of the green roof in accordance with the plans set
5 forth in the commitment agreement, the applicant may claim a
6 credit against the tax liability of the applicant equal to 25%
7 of all costs initially incurred to construct the green roof and
8 for maintenance in the years after.

9 (b) Limitations.--

10 (1) The amount of tax credits awarded to an individual
11 or business may not exceed \$100,000 in any fiscal year.

12 (2) The tax credit shall be applied against the
13 applicant's total tax liability subject to the tax credit for
14 the fiscal year during which the applicant certifies the
15 completion of the green roof.

16 (3) Any unused credits may be carried forward until
17 fully used.

18 (4) The credit is not a refundable credit.

19 (5) The credit is nontransferable.

20 (c) Availability of tax credits.--Each fiscal year,
21 \$10,000,000 in tax credits shall be made available to the
22 department and may be awarded by the department in accordance
23 with this article.

24 Section 1906-J. Repayment of tax credits.

25 A business or individual that has received and taken the
26 credit must repay the credit to the Commonwealth if the business
27 or individual fails to maintain the green roof in accordance
28 with the provisions of the commitment agreement.

29 Section 2. This act shall take effect in 60 days.