

# Resource Enhancement and Protection Program



## Guidelines

Fiscal Year 2013-14

(July 1, 2013 – June 30, 2014)

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# Resource Enhancement and Protection (REAP) Program Guidelines FY 2013-14

## Introduction

- Act 55 of 2007 created the Resource Enhancement and Protection Program (REAP). REAP allows farmers and businesses to earn Pennsylvania state tax credits in exchange for implementing “Best Management Practices” (BMPs) on agricultural operations that will enhance farm production and protect natural resources. All terms defined in Act 55 and used throughout these guidelines may be found in Attachment 9 (page 34)
- The program is administered by the State Conservation Commission (Commission) and the tax credits will be granted by the Pennsylvania Department of Revenue.
- Any individual or business who is subject to taxation by the Commonwealth of Pennsylvania under the following state taxes is eligible to participate in REAP: Personal Income Tax, Corporate Net Income Tax, Capital Stock and Franchise Tax, Bank Shares Tax, Title Insurance Company Tax, Insurance Premiums Tax, and Mutual Thrift Institutions Tax.
- Eligible applicants may receive either 50% or 75% of project costs as state tax credits for up to \$150,000 per agricultural operation. The amount of tax credit available to a recipient is dependent on the type of BMP implemented. See Attachment 1 (page 8) for a list of REAP Eligible BMPs.
- Please note the Commission has interpreted the \$150,000.00 funding limitations of this program with regards to entities with significantly similar organizational structures or which utilize substantially common management or production resources. These entities will be considered a single “agricultural operation” for purposes of REAP tax credits. For additional information, please see Attachment 10.

## REAP Program Requirements for Conservation, Agricultural E&S, Nutrient and Manure Management Planning

### General Eligibility Criteria: (Defining criteria established at Section 1704-E of Act)

1. An agricultural operation that is an applicant for the REAP Tax Credit Program for agricultural BMP or equipment must first have in place the following:
  - A) A current Conservation Plan or Agricultural E&S Plan for all acres plowed and or tilled that are under their management controlled (owned or rented or leased or utilized) in the year that they are applying for REAP Tax Credits; and
  - B) A current Nutrient Management Plan or Manure Management Plan (as required by law) for all acres under their management control if they generate and or utilize manure and or other organic sources of plant nutrients (i.e. biosolids) in the program year that they are applying for REAP Tax Credits
2. If you do not have a current Conservation Plan or current Agricultural E&S Plan on an agricultural operation for all acres plowed and tilled in the program year that you are applying, and a current Nutrient Management Plan or Manure Management Plan (if required by law), then you must include the development of such plans in your initial application for REAP Tax Credits before applying for tax credits for any other REAP eligible BMP. BMPs that are part of a final and approved

Conservation Plan, Agricultural E&S Plan, Manure Management Plan or Nutrient Management Plan may be included in such submission and will be considered for approval.

3. If you are an agricultural operation that is an applicant for the REAP Tax Credit Program and you have an animal concentration area (ACA) on any portion of the agricultural operation under your management control, then you must first implement all best management practices necessary to abate storm water runoff, loss of sediment, loss of nutrients, and runoff of other pollutants from each ACA on such agricultural operation, before applying for any tax credits for other eligible BMPs. Any REAP approved BMPs necessary to properly treat an ACA under your management control and contained in a current or final and approved Conservation Plan, Agricultural E&S Plan, Nutrient Management Plan or Manure Management Plan but, not yet implemented, must be included, along with a detailed plan for implementation of such BMPs, in a REAP application before other BMPs will be considered. The BMPs necessary to properly treat the ACA will be eligible for REAP tax credits.
4. If you have an approved Conservation Plan or Agricultural E&S Plan for all acres plowed and tilled and an approved Nutrient Management Plan or Manure Management Plan (if required by law) in the program year that you are applying, then you may apply for REAP tax credits for any REAP eligible or REAP eligible equipment specifically included in any such plan or plan amendment or any REAP eligible BMP or equipment determined by a conservation planning and/or design professional to be necessary to control nutrient or sediment pollution on your agricultural operation. The applicant must first include the remaining BMPs that are part of such plans, but have not yet been implemented or acquired prior to requesting a REAP tax credit for any other eligible BMP.

### **Program Requirements and Conditions**

There are three ways for applicants to participate in the REAP Program.

1. Implement eligible BMPs and receive tax credits directly to reduce your state tax bill. REAP tax credits will reduce, dollar for dollar, the amount of state tax you owe. You may carry forward your tax credit for up to **fifteen years** from the date the tax credit is awarded by the Department of Revenue, applying the credit on your annual taxes until you have depleted the credit.
2. You may sell your tax credits to another Pennsylvania taxpayer. Many taxpayers – individuals or corporations – seek to reduce their tax liability through the purchase of tax credits. A list of private brokers who arrange the sale of tax credits is found in Attachment 8 (page 33). The guidelines and required application for the sale of REAP tax credits are available by calling the Commission at 717-787-8821.
3. You may work with a sponsor that will help finance the BMPs on an agricultural operation. The farmer will be compensated for making improvements and the sponsor will receive the tax credit. A “sponsor” is defined in Attachment 9 (page 34). Examples of sponsors could include banks and other lending institutions or businesses wishing to make an investment in conservation projects.

No tax credit will be provided for a publicly funded portion of a project; however, any portion of an eligible project paid by a farmer (“out of pocket” expenses) may be included in a REAP application.

Tax credits will be awarded to projects completed after October 23, 2007, but not after the project’s life span as defined in Attachment 1 (page 8) have expired.

The tax credit must be returned if the practice is not maintained and managed for the life span of the practice. Life spans established by the Commission for specific practices are found in Attachment 1 (page

8). If the BMP is not maintained for the required period, the owner of the property upon which the project exists shall return to the Department of Revenue the full amount of the tax credit originally granted.

If the recipient of a tax credit provides prior written notification to the Commission that the recipient will be unable to maintain a BMP due to the sale of the property, cessation of an agricultural operation or other factors, the Commission may direct the Department of Revenue to prorate the amount of the tax credit that shall be returned based on the remaining lifespan of the BMP in question.

The Commission has established a policy on the trading of no till planting and low disturbance manure incorporation equipment before the established lifespan of the equipment has expired. See Attachments 5 and 6 (pages 27 & 29) for more information on this policy.

The following are considered eligible costs of a project to which a tax credit may be applied:

1. Project design engineering and associated planning
2. Project management costs, including contracting, document preparation and applications.
3. Project construction or installation.
4. Equipment, materials and other components of eligible projects.
5. Post construction inspections.
6. Interest payments on loans for project implementation for up to one year prior to the award of the tax credit.

Any of the above costs for services that may be provided by a Conservation District or private sector technical service provider through a fee or charge are eligible costs and may be included in the REAP application. These services are eligible for 75% of eligible costs. REAP application/verification fees are not eligible costs nor are fees charged by consultants to fill out a REAP application.

### **Application, Certification and Approval Procedure**

The Commission will accept two types of applications:

- 1) Applications for eligible projects which are **complete** at the time of application submission (after October 23, 2007). No tax credits will be awarded for projects that have life spans that are expired.
- 2) Applications for eligible **proposed projects** which will be completed after the Commission determines project eligibility.

### **Addendum Applications**

REAP applications received in FY 2012-13 which were not considered because credits were unavailable, will be reviewed for the upcoming program year (FY 2013-14) **prior to accepting new applications for either completed or proposed projects**. These applicants will receive by mail an "Addendum" application which must be completed and returned to the Commission by no later than close of business July 19, 2013.

**If the Addendum application is not received by July 19, 2013, a new FY 2013-14 application must be submitted.**

## New Applications

The SCC will have two separate application periods for the FY 2013-14 program. The first application period (beginning August 1, 2013) will accept applications for COMPLETED projects only. The SCC will reserve 75% of the total REAP allocation for this funding round. The second application period (beginning August 29, 2013) will accept applications for both proposed and completed projects. If there are additional credits that were not awarded from the first application period, those credits will be added to the second application periods allocation. If the amount of completed applications received in the first funding round, exceeds the 75% allocation, those applications will be reviewed as part of the second funding round.

Applications may be delivered in person, via US Postal Service, or via a private carrier to the Commission office at the following address: **Resource Enhancement and Protection (REAP) Program, State Conservation Commission, Room 310, 2301 North Cameron Street, Harrisburg, PA 17110** during normal business hours of 8:00 am through 4:00 pm, Monday through Friday. The Commission will not accept any applications delivered in person on the first day of an application period before 8:00 a.m. Faxed or emailed applications will not be accepted.

### **Applications for COMPLETED projects only**

New applications for completed projects for FY 2013-14 will be accepted by the Commission on a first-come, first-served basis beginning **August 1, 2013**. *Any applications received by the Commission which are postmarked prior to July 28, 2013 will be returned.*

All mailed applications for completed projects received by the Commission which are postmarked July 28, 2013 and later, and all applications hand delivered on August 1, 2013, will be date stamped and placed in a "lottery" at the end of the business day on August 1, 2013, and randomly selected and assigned a number beginning with the number following the last Addendum Application received. Applications for completed projects will be accepted on subsequent days until the 75% allocation has been committed to eligible projects. Completed applications will continue to be accepted in the second funding round as well as applications for proposed projects.

For an application to be considered a complete project the following apply:

1. For applications involving the installation of Best Management Practices (BMPs) to be considered a completed project the following must be included with the application:
  - Applicant must meet all eligibility requirements
  - REAP project certification Completion Certification for BMPs form
  - Paid receipts for each BMP
  - REAP Project Completion Summary form
  - Documentation of other public funding (if applicable)
2. For applications involving the purchase of equipment to be considered a completed project the following must be included with the application:
  - Applicant must meet all eligibility requirements
  - Dealer certification form
  - Paid receipt showing the date the equipment was delivered to the farm and the serial number of the equipment
3. For applications that involve the development of nutrient or conservation plans to be considered a completed project the following must be included with the application:
  - Applicant must meet all eligibility requirements

- Paid receipt for the cost of the plan
- Documentation that the plan is complete or approved if necessary
- Documentation of other public funding (if applicable)

### **Applications for PROPOSED and completed projects**

The SCC will begin accepting applications for PROPOSED (and all other) projects beginning on August 29, 2013.

In order for a proposed project (BMP), other than equipment purchase, to be eligible for the REAP tax credit program it must meet the “General Eligibility” provisions established at Section 1704-E of the REAP Statute and defined under the “General Eligibility Criteria” delineated in these guidelines and the following criteria must be met, prior to submitting the REAP application:

1. Proposed project BMPs must be:

- A) On the Commission’s list of eligible BMPs; and
- B) Listed in the current or final and approved Conservation Plan, Agricultural E&S Plan or Nutrient Management Plan or Manure Management Plan or Plan Amendment;
- C) REAP eligible equipment BMPs must be determined by a conservation planning and/or design professional to be necessary to control nutrient or sediment pollution on your agricultural operation.

2. Proposed project must include a reasonable cost estimate based on a current site Inventory and Evaluation (I&E) and current costs. The site I&E must list the elements and practices that have been concisely planned and include location, estimated cost of project components, total estimated project cost, planned construction date and a plan view sketch. A site I&E must be completed by a person with appropriate job approval authority or equivalent experience and or training.

When an eligible proposed project is complete, the applicant must provide to the Commission a signed certification form indicating that the project is complete, and copies of paid receipts for the completed project. Upon receipt of these documents, the Commission will provide notification to the Department of Revenue that the eligible applicant has completed a project which meets the criteria for a REAP tax credit, and the amount of tax credit for the eligible applicant.

For projects that include the proposed purchase of equipment, delivery of equipment **must take place by June 30, 2014**. For projects involving the implementation of structural BMPs (other than equipment purchases) which must be phased in to successfully complete the proposed project(s), all BMPs and BMP components must be complete by **June 30, 2015** in order to be eligible.

If the approved eligible projects are not completed within the Commission’s specified time frames established in these guidelines (one year for equipment purchase and two years for installation of BMPs), the outstanding projects may be removed from the program. Implementation and completion schedules may be extended past the implementation date approved with the application, on a case-by case basis at the discretion of the Commission if the applicant notifies the Commission, in writing, of extraordinary circumstances which prevent the applicant from implementing a project on the approved schedule.

All multi-year projects deemed eligible by the Commission will be committed from the total REAP appropriation in the fiscal year in which the original application is approved.

Only the practice(s) or BMP(s) applied for in the approved REAP application will be eligible for a REAP Tax Credit. Later supplementation of an approved REAP application will not be reviewed or considered. Any

additional practices or BMPs you wish to install and receive a REAP Tax Credit for will need to be set forth in a new application. Tax credits awarded will not exceed the total amount approved in this application. Additional credits for projects costing more than the amount deemed eligible in this application must be submitted as a new application in future program years and will be considered if and when additional REAP tax credits are available.

### **Additional Information for new applications**

**For those applicants that do not have a current or final and approved Conservation Plan, Agricultural E&S Plan or Nutrient Management Plan or Manure Management Plan (if required by law), the applicant will be restricted to applying for tax credits consistent with the “General Eligibility” provisions established at Section 1704-E of the REAP Statute and defined under the “General Eligibility Criteria” delineated in these guidelines**

The Commission will complete the application review of all Addendum and new FY 2013-14 applications within 60 days of receipt of a complete application, and will notify the applicant in writing whether or not the application meets the requirements for an eligible project and is authorized to receive a tax credit under REAP. Review and approval of all applications received (Addendum and new) is contingent upon a REAP allocation approved in the FY 2013-14 state budget.

The Department of Revenue will conduct a compliance check to determine if the applicant has filed all required state tax reports and returns for all applicable tax years, and paid all balances of state taxes due. Within 60 days of notice from the Commission that a completed project is eligible, the Department of Revenue will issue a notice of award of a tax credit to the eligible applicant.

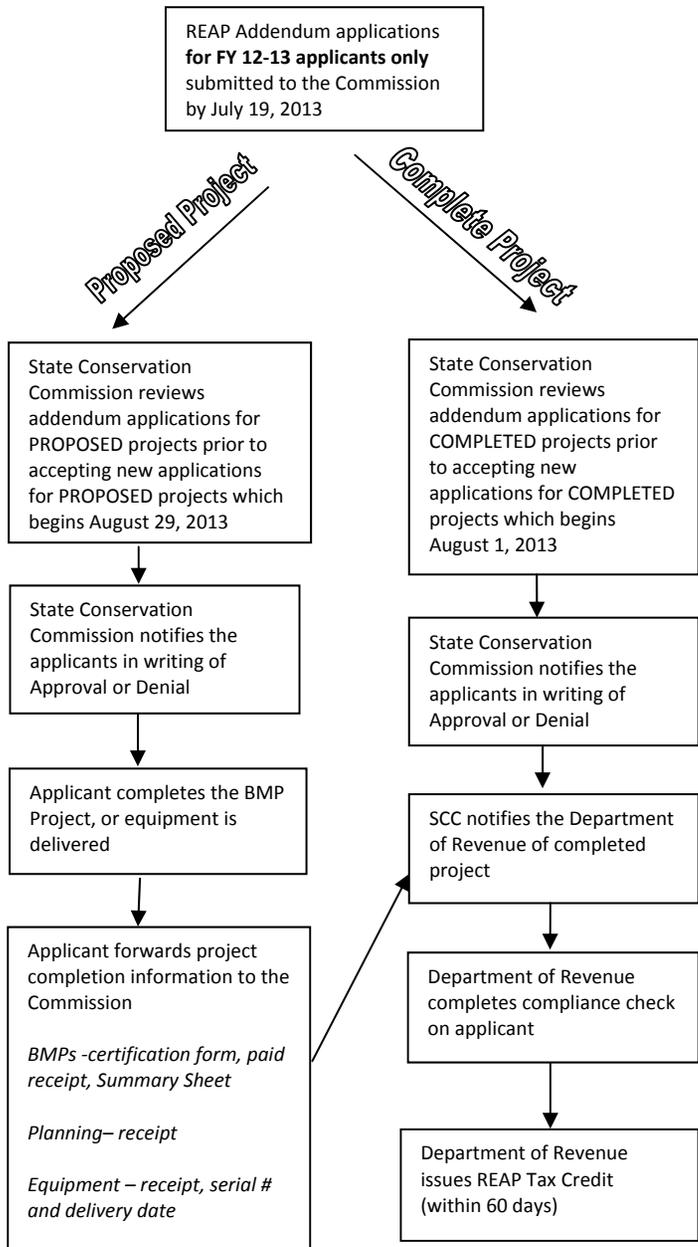
Consistent with the provisions of sections 1707-E (E) (related to Notification to the Department) and 1708-E (related to Grant of Tax Credit) of the REAP Statute, once the Commission makes a determination that an approved project is complete and has notified the Department of Revenue, the Department of Revenue must make a finding that approved project applicant has filed all required state tax reports and returns for all applicable tax years and paid any balance of state tax due. If the Department of Revenue should determine that the applicant is non-compliant with regards to the required state tax reports and returns or if there is an outstanding tax liability, the applicant must immediately contact the Department of Revenue to resolve the tax issue. The Department of Revenue will determine when such discrepancy has been resolved and if and when any REAP Tax Credit should issue. If the applicant remains in a non-compliant status for a period of time that is greater than the life expectancy of the BMP(s) installed under the approved project the Commission in conjunction with the Department of Revenue may determine that no tax credit shall issue.

The chart at the end of these Guidelines illustrates the REAP application and approval process. For projects where the applicant is a sponsor, the Commission requires a signed written agreement between the sponsor (applicant) and the owner of the property on which the project will be completed, certifying that the property owner will comply with all of the requirements associated with award of the REAP tax credit.

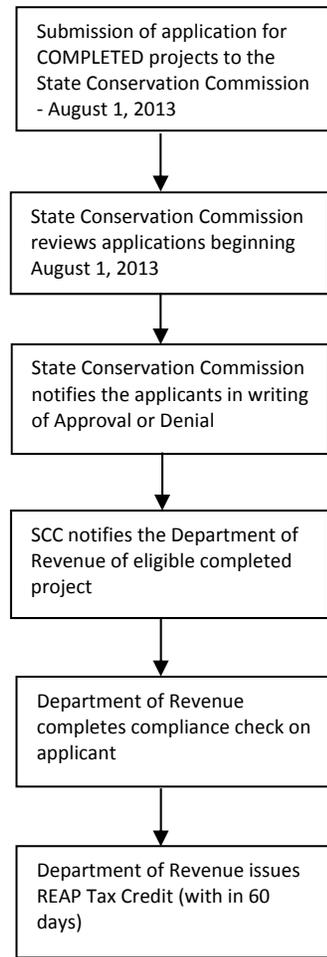
The Commission will consider applications for tax credits for BMPs on existing agricultural operations. Projects which include expansion of an existing agricultural operation of greater than 25% will not be eligible for REAP tax credit.

For all issues not specifically addressed by these guidelines, please refer to the provisions of Act 55 of 2007, Section 1701-E to Section 1710-E, or contact the Commission at 717-787-8821. Questions regarding tax implications for individual applicants should be directed to an accountant or other tax professional.

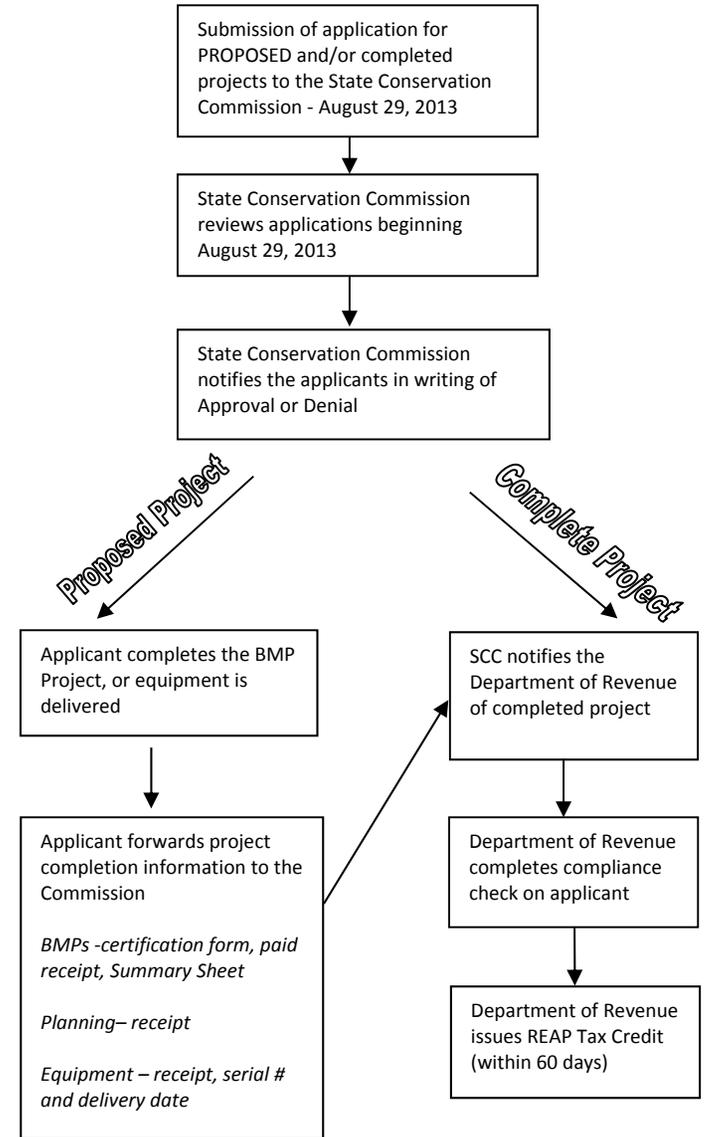
### Addendum Applicants Only



### COMPLETED Projects Only



### PROPOSED and/or Completed Projects



## Attachment 1

# REAP Eligible Best Management Practices (BMPs)

### REAP Eligible Planning BMPs

#### **Agricultural Erosion & Sedimentation (AG E&S) Control Plan**

*Practice Code:*

*Reportable Units:* No.

*Lifespan:* 3 years

*Tax Credit Rate:* 75%

*Additional Information:* Refer to Attachment 2

*REAP Conditions:*

*Certification Requirements:* The E&S Plan shall be prepared by a person trained and experienced in E&S control methods and techniques applicable to the size and scope of the project being designed.

#### **Conservation Plan**

*Practice Code:*

*Reportable Units:* No.

*Lifespan:* 3 years

*Tax Credit Rate:* 75%

*Additional Information:* Refer to Attachment 2

*REAP Conditions:*

*Certification Requirements:* The plan must be written by a NRCS certified conservation planner.

#### **Comprehensive Nutrient Management Plan (CNMP)**

*Practice Code:* 102

*Reportable Units:* No.

*Lifespan:* 3 years

*Tax Credit Rate:* 75%

*Additional Information:* Refer to Attachment 3. See NRCS policy guidance in eFOTG

*REAP Conditions:*

*Certification Requirements:* The plan must be written by a NCRC certified CNMP technical service provider.

#### **Manure Management Plan (MMP)**

*Practice Code:*

*Reportable Units:* No.

*Lifespan:* 3 years

*Tax Credit Rate:* 75%

*Additional Information:* Refer to Attachment 3. See DEP Land Application of Manure – Manure Management Plan Guidance

*REAP Conditions:*

*Certification Requirements:* None required

#### **Nutrient Management Planning**

*Practice Code:*

*Reportable Units:* No.

*Lifespan:* 3 years

*Tax Credit Rate:* 75%

*Additional Information:* Refer to Attachment 3. Must meet Act 38 Standards.

*REAP Conditions:*

*Certification Requirements:* Must be written by an Act 38 certified specialist.

### **Prescribed Grazing**

|                                    |  |
|------------------------------------|--|
| <i>Practice Code:</i>              | 528  |
| <i>Reportable Units:</i>           | Ac.  |
| <i>Lifespan:</i>                   | 3 years  |
| <i>Tax Credit Rate:</i>            | 75%  |
| <i>Additional Information:</i>     | See 528 practice standard in PA Technical Guide              |
| <i>REAP Conditions:</i>            | Planning costs only  |
| <i>Certification Requirements:</i> | Must be developed by an NRCS Grazing Specialist or NRCS TSP. |

### **REAP Eligible Equipment BMPs**

#### **Composting Equipment**

|                                    |   |
|------------------------------------|---|
| <i>Reportable Units:</i>           | No.   |
| <i>Lifespan:</i>                   | New Equipment - 7 years, Used Equipment - 3 years   |
| <i>Tax Credit Rate:</i>            | 50%   |
| <i>Additional Information:</i>     | Compost screeners, Compost turning equipment, Compost baggers, other equipment approved by Commission |
| <i>REAP Conditions:</i>            |   |
| <i>Certification Requirements:</i> | NA  |

#### **Manure Incineration Equipment**

|                                    |  |
|------------------------------------|--|
| <i>Reportable Units:</i>           | No.  |
| <i>Lifespan:</i>                   | New Equipment - 7 years, Used Equipment - 3 years                    |
| <i>Tax Credit Rate:</i>            | 50%  |
| <i>Additional Information:</i>     | Furnaces, Burners, Conveyors, other equipment approved by Commission |
| <i>REAP Conditions:</i>            |  |
| <i>Certification Requirements:</i> | NA   |

#### **Manure Incorporation Equipment – Low Disturbance**

|                                    |   |
|------------------------------------|---|
| <i>Reportable Units:</i>           | No.   |
| <i>Lifespan:</i>                   | New Equipment - 7 years, Used Equipment - 3 years   |
| <i>Tax Credit Rate:</i>            | 50%   |
| <i>Additional Information:</i>     | Refer to Attachment 6   |
| <i>REAP Conditions:</i>            | Equipment whose main function is secondary tillage (i.e. disking equipment) is not eligible. Manure incorporation that utilizes new technology will be evaluated by the Commission on a case by case basis. |
| <i>Certification Requirements:</i> | Requires Equipment Dealer Certification   |

#### **Manure Separation Equipment**

|                                    |   |
|------------------------------------|---|
| <i>Reportable Units:</i>           | No.   |
| <i>Lifespan:</i>                   | New Equipment - 7 years, Used Equipment - 3 years |
| <i>Tax Credit Rate:</i>            | 50%   |
| <i>Additional Information:</i>     |   |
| <i>REAP Conditions:</i>            |   |
| <i>Certification Requirements:</i> | NA  |

#### **No Till Planting Equipment**

|                                |   |
|--------------------------------|---|
| <i>Reportable Units:</i>       | No.   |
| <i>Lifespan:</i>               | New Equipment - 7 years, Used Equipment - 3 years |
| <i>Tax Credit Rate:</i>        | 50%   |
| <i>Additional Information:</i> | Refer to Attachment 5                             |
| <i>REAP Conditions:</i>        |   |

*Certification Requirements:* Requires Equipment Dealer Certification

**All Other REAP Eligible BMPs**

**Access Road**

*Practice Code:* 560

*Reportable Units:* Ft.

*Lifespan:* 5 years

*Tax Credit Rate:* 50%

*Additional Information:*

*REAP Conditions:* This practice shall only be applicable to those locations on the farm where an improved travel-way is needed to access newly established BMPs. REAP tax credits will not be authorized for any construction or portion thereof exceeding 14 feet in width or 500 feet in length.

*Certification Requirements:* Individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

**Animal Mortality Facility**

*Practice Code:* 316

*Reportable Units:* No.

*Lifespan:* 10 years

*Tax Credit Rate:* 50%

*Additional Information:*

*REAP Conditions:* The animal mortality composting facility must be part of a manure/nutrient management plan. The dead animals must come from the producer's operation and may not come from outside sources.

*Certification Requirements:* Any Conservation district or NRCS employee, or NRCS Certified Technical Service Provider, or private sector engineer or technician who has appropriate training and experience in the BMP planning, design and installation methods and techniques applicable to the size and scope of the BMP being certified.

**Animal Trails and Walkways**

*Practice Code:* 575

*Reportable Units:* Ft.

*Lifespan:* 5 years

*Tax Credit Rate:* 50%

*Additional Information:*

*REAP Conditions:* Eligible in conjunction with Prescribed Grazing (528) only. REAP tax credit not authorized for any construction or portion thereof that is greater than 12 feet in width.

*Certification Requirements:* Individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

**Brush Management**

*Practice Code:* 314

*Reportable Units:* Ac.

*Lifespan:* 5 years

*Tax Credit Rate:* 50%

*Additional Information:*

*REAP Conditions:* Applicable to removing undesirable woody vegetation in existing pastures by mechanical and/or chemical methods. Eligible in conjunction with Prescribed Grazing (528) only. The acres needing treatment must be identified in the Prescribed Grazing Plan.

*Certification Requirements:* Any Conservation district or NRCS employee, or NRCS Certified Technical Service Provider, or private sector engineer or technician who has appropriate training and experience in the BMP planning, design and installation methods and techniques applicable to the size and scope of the BMP being certified.

### **Channel Stabilization**

*Practice Code:* 584  
*Reportable Units:* Ft.  
*Lifespan:* 10 years  
*Tax Credit Rate:* 50%  
*Additional Information:* Applicant is responsible for all local, state and federal permits and approvals that may be required.  
*REAP Conditions:* Used to stabilize stream banks eroded due to excessive water flow or livestock activity.  
*Certification Requirements:* Individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

### **Channel Vegetation**

*Practice Code:* 322  
*Reportable Units:* Ac.  
*Lifespan:* 5 years  
*Tax Credit Rate:* 50%  
*Additional Information:*  
*REAP Conditions:* Eligible in conjunction with Vegetated Buffer, Riparian Forest Buffer and Riparian Herbaceous Cover establishment.  
*Certification Requirements:* Any Conservation district or NRCS employee, or NRCS Certified Technical Service Provider, or private sector engineer or technician who has appropriate training and experience in the BMP planning, design and installation methods and techniques applicable to the size and scope of the BMP being certified.

### **Closure of Waste Impoundments**

*Practice Code:* 360  
*Reportable Units:* No.  
*Lifespan:* Operator must agree to permanently abandon the designated existing structure and the appropriate component practices of the structure.  
*Tax Credit Rate:* 50%  
*Additional Information:*  
*REAP Conditions:* BMP must be identified in operator's nutrient or manure management plan. Plan must also state whether the facility is to be replaced or is no longer needed.  
*Certification Requirements:* Individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

### **Composting Facility**

*Practice Code:* 317  
*Reportable Units:* Sq. Ft.  
*Lifespan:* 10 years  
*Tax Credit Rate:* 50%  
*Additional Information:*  
*REAP Conditions:* The composting facility must be included in manure/nutrient management plan. The material to be composted must include animal waste generated on the operation and may not originate from outside sources. The composting operation must meet the PA-DEP criteria for on-farm composting.  
*Certification Requirements:* Individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

### **Constructed Wetland**

|                                    |  |
|------------------------------------|--|
| <i>Practice Code:</i>              | 656  |
| <i>Reportable Units:</i>           | No.  |
| <i>Lifespan:</i>                   | 5 years  |
| <i>Tax Credit Rate:</i>            | 50%  |
| <i>Additional Information:</i>     |  |
| <i>REAP Conditions:</i>            | Eligible for wastewater treatment only.  |
| <i>Certification Requirements:</i> | Individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer. |

### **Contour Farming**

|                                    |   |
|------------------------------------|---|
| <i>Practice Code:</i>              | 330   |
| <i>Reportable Units:</i>           | Ac.   |
| <i>Lifespan:</i>                   | 5 years   |
| <i>Tax Credit Rate:</i>            | 50%   |
| <i>Additional Information:</i>     |   |
| <i>REAP Conditions:</i>            | Planning and layout costs only.   |
| <i>Certification Requirements:</i> | Any Conservation district or NRCS employee, or NRCS Certified Technical Service Provider, or private sector engineer or technician who has appropriate training and experience in the BMP planning, design and installation methods and techniques applicable to the size and scope of the BMP being certified. |

### **Cover Crop**

|                                    |   |
|------------------------------------|---|
| <i>Practice Code:</i>              | 340   |
| <i>Reportable Units:</i>           | Ac.   |
| <i>Lifespan:</i>                   | Annual  |
| <i>Tax Credit Rate:</i>            | 50%   |
| <i>Additional Information:</i>     | Only completed projects are eligible. Tax credits are capped at \$42.00/acre.   |
| <i>REAP Conditions:</i>            | Only seed costs and planting labor and equipment cost for the initial year of the practice are eligible. The practice is allowed only once per crop management unit (field). No nutrients from any source may be applied between the planting date and the following March 1 <sup>st</sup> . <ul style="list-style-type: none"><li>• An exception to this nutrient application restriction may be granted by the Commission if the applicant provides adequate documentation of the following:<ol style="list-style-type: none"><li>1. Livestock and or poultry is present on the farm and;</li><li>2. There is inadequate manure storage and;</li><li>3. There is no other cropland or other viable management option (i.e. export) readily available to the applicant for manure application or disposal in accordance with an approved nutrient or manure management plan.</li></ol></li></ul> All seed purchased for cover crop must be tested and properly labeled in accordance with the PA Seed Law and regulations. If the grower elects to use home grown seed, it must be tested for purity, germination and absence of noxious weeds by a recognized seed laboratory prior to seeding. Harvesting of the cover crop as grain is not allowed. |
| <i>Certification Requirements:</i> | Completion of the Cover Crop – Job Sheet is required.   |

### **Critical Area Planting**

|                          |            |
|--------------------------|------------|
| <i>Practice Code:</i>    | 342        |
| <i>Reportable Units:</i> | Ac.        |
| <i>Lifespan:</i>         | 5 years    |
| <i>Tax Credit Rate:</i>  | 50% or 75% |

*Additional Information:* 75% rate when used for ACA treatment  
*REAP Conditions:*  
*Certification Requirements:* Individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

### **Diversion**

*Practice Code:* 362  
*Reportable Units:* Ft.  
*Lifespan:* 5 years  
*Tax Credit Rate:* 50% or 75%  
*Additional Information:* 75% rate when used for ACA treatment  
*REAP Conditions:* Companion practices are limited to the minimum amount needed for proper function and safe outlet of the diversion.  
*Certification Requirements:* Individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

### **Fence**

*Practice Code:* 382  
*Reportable Units:* Ft.  
*Lifespan:* 10 years  
*Tax Credit Rate:* 50% or 75%  
*Additional Information:* 75% rate only applies when used for ACA treatment or for animal exclusion in conjunction with 50 Foot Riparian Forest Buffer (391). All other uses are at the 50% rate.  
*REAP Conditions:* Used in conjunction with Access Control (472) to protect other practices and or land uses AND in conjunction with Prescribed Grazing (528) only. REAP tax credits authorized for establishing fencing is limited to permanent fence utilizing new materials. Fencing receiving REAP tax credits must not have indirect negative environmental impacts on adjacent areas, such as allowing uncontrolled livestock access to sensitive areas such as stream corridors, steep areas subject to erosion, or woodland subject to overgrazing. REAP tax credit not authorized for removal and/or upgrade of existing fence.  
*Certification Requirements:* Individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer

### **Filter Strip**

*Practice Code:* 393  
*Reportable Units:* Ac.  
*Lifespan:* 5 years  
*Tax Credit Rate:* 50%  
*Additional Information:*  
*REAP Conditions:* Vegetated buffer establishment only.  
*Certification Requirements:* Individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

### **Forage and Biomass Planting**

*Practice Code:* 512  
*Reportable Units:* Ac.  
*Lifespan:* 5 years  
*Tax Credit Rate:* 50%  
*Additional Information:*  
*REAP Conditions:* Eligible for conversion to Prescribed Grazing (528) only. REAP tax credits limited to land being converted from annual crop production to permanent pasture. REAP tax credit not authorized for re-seeding existing pastures, converting lands with greater than 20%

woody vegetation into pasture, introducing hay into the crop rotation, or for lime and/or fertilizer application as a standalone practice.

*Certification Requirements:* Any Conservation district or NRCS employee, or NRCS Certified Technical Service Provider, or private sector engineer or technician who has appropriate training and experience in the BMP planning, design and installation methods and techniques applicable to the size and scope of the BMP being certified.

### **Grassed Waterway**

*Practice Code:* 412  
*Reportable Units:* Ac.  
*Lifespan:* 5 years  
*Tax Credit Rate:* 50% or 75%  
*Additional Information:* 75% rate when used for ACA treatment  
*REAP Conditions:*  
*Certification Requirements:* Individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

### **Heavy Use Area Protection**

*Practice Code:* 561  
*Reportable Units:* Sq. Ft.  
*Lifespan:* 10 years  
*Tax Credit Rate:* 50% or 75%  
*Additional Information:* 75% rate when used for ACA treatment; If BMP includes a roof structure, the Roofed Storage/Roofed ACA worksheet (page 15 of Application) must be submitted along with the application.  
*REAP Conditions:* Roof structures over entire Heavy Use Areas are not eligible, however roof structures over portions of Heavy Use Areas may be eligible for REAP tax credits. SCC staff site visit required to document the need for a roof structure prior to BMP approval.  
*Certification Requirements:* Individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

### **Lined Waterway or Outlet**

*Practice Code:* 468  
*Reportable Units:* Ft.  
*Lifespan:* 5 years  
*Tax Credit Rate:* 50% or 75%  
*Additional Information:* 75% rate when used for ACA treatment  
*REAP Conditions:* Used where vegetation alone will not provide adequate stabilization.  
*Certification Requirements:* Individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

### **Mulching**

*Practice Code:* 484  
*Reportable Units:* Ac.  
*Lifespan:* 5 years  
*Tax Credit Rate:* 50%  
*Additional Information:* Utilized to protect and improve the establishment of other practices (Critical Area Planting, Diversion, Waterway, etc.).  
*REAP Conditions:*  
*Certification Requirements:*

### **Obstruction Removal**

*Practice Code:* 500  
*Reportable Units:* Ac.

*Lifespan:* 5 years  
*Tax Credit Rate:* 50%  
*Additional Information:*  
*REAP Conditions:* Eligible when existing obstructions interfere with other planned BMPs. REAP tax credits not authorized to remove brush in order to install fence.  
*Certification Requirements:* Individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

### **Pipeline**

*Practice Code:* 516  
*Reportable Units:* Ft.  
*Lifespan:* 5 years  
*Tax Credit Rate:* 50%  
*Additional Information:*  
*REAP Conditions:* Eligible as a component of livestock watering systems in conjunction with Prescribed Grazing (528) only. Pipe with a diameter of 8 inches or less that is used to convey clean water for livestock. REAP tax credits not authorized when the pipeline will be used in conjunction with a domestic water supply or irrigation.  
*Certification Requirements:* Individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

### **Pond**

*Practice Code:* 378  
*Reportable Units:* No.  
*Lifespan:* 5 years  
*Tax Credit Rate:* 50%  
*Additional Information:*  
*REAP Conditions:* Practice is eligible for livestock water source in conjunction with Prescribed Grazing (528) only. Applicant is responsible for all local, state and federal permits and approvals that may be required.  
*Certification Requirements:* Individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

### **Pond Sealing or Lining**

*Practice Code:* 521  
*Reportable Units:* No.  
*Lifespan:* 5 years  
*Tax Credit Rate:* 50%  
*Additional Information:*  
*REAP Conditions:* Eligible for earthen Waste Storage Facilities, or Ponds used as a livestock water source.  
*Certification Requirements:* Individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

### **Pumping Plant for Water Control**

*Practice Code:* 533  
*Reportable Units:* No.  
*Lifespan:* 10 years  
*Tax Credit Rate:* 50%  
*Additional Information:*  
*REAP Conditions:* Eligible for livestock water source only.  
*Certification Requirements:* Individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

### **Riparian Forest Buffer**

|                                    |   |
|------------------------------------|---|
| <i>Practice Code:</i>              | 391   |
| <i>Reportable Units:</i>           | Ac.   |
| <i>Lifespan:</i>                   | 15 years  |
| <i>Tax Credit Rate:</i>            | 50% or 75%  |
| <i>Additional Information:</i>     | 50% rate when used in conjunction with the minimum width of the practice (35 feet);<br>75% rate when used in conjunction with 50 foot or greater width.   |
| <i>REAP Conditions:</i>            | Vegetated buffer establishment only, 180 foot maximum width eligible for REAP Tax Credit, maintenance costs for three years may be included in eligible costs. Practice available to agricultural and non-agricultural operations. REAP Tax credits not authorized for moving or replacing existing stream fencing. |
| <i>Certification Requirements:</i> | Any Conservation district or NRCS employee, or NRCS Certified Technical Service Provider, or private sector engineer or technician who has appropriate training and experience in the BMP planning, design and installation methods and techniques applicable to the size and scope of the BMP being certified.     |

### **Riparian Herbaceous Cover**

|                                    |   |
|------------------------------------|---|
| <i>Practice Code:</i>              | 390   |
| <i>Reportable Units:</i>           | Ac.   |
| <i>Lifespan:</i>                   | 5 years   |
| <i>Tax Credit Rate:</i>            | 50%   |
| <i>Additional Information:</i>     |   |
| <i>REAP Conditions:</i>            | Vegetated buffer establishment only.  |
| <i>Certification Requirements:</i> | Any Conservation district or NRCS employee, or NRCS Certified Technical Service Provider, or private sector engineer or technician who has appropriate training and experience in the BMP planning, design and installation methods and techniques applicable to the size and scope of the BMP being certified. |

### **Roof Runoff Structure**

|                                    |   |
|------------------------------------|---|
| <i>Practice Code:</i>              | 558   |
| <i>Reportable Units:</i>           | Ft.   |
| <i>Lifespan:</i>                   | 5 years   |
| <i>Tax Credit Rate:</i>            | 50% or 75%  |
| <i>Additional Information:</i>     | 75% rate when used for ACA treatment  |
| <i>REAP Conditions:</i>            | This practice, which includes roof gutters and drip drains, shall only be applied to those locations on a farm where runoff from existing farm building presents a signification pollution problem by causing severe erosion and/or by transporting pollutants from animal wastes. Practice must include establishment of a stable outlet. The resulting discharge must not comingle with animal waste, or otherwise degrade water quality. Roofs are not included under this practice. REAP tax credits not authorized for building modification in preparation for this practice. |
| <i>Certification Requirements:</i> | Individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.  |

### **Roofs and Covers**

|                                |   |
|--------------------------------|---|
| <i>Practice Code:</i>          | 367   |
| <i>Reportable Units:</i>       | Sq. Ft.   |
| <i>Lifespan:</i>               | 10 years  |
| <i>Tax Credit Rate:</i>        | 50% or 75%  |
| <i>Additional Information:</i> | 75% rate when used for ACA treatment. If the roof structure applied for is a component of Heavy Use Area Protection (561) or Waste Storage Facility (313), the Roofed Storage/Roofed ACA worksheet (page 15 of Application) must be submitted along with the application. |

*REAP Conditions:* Practice applies to construction of roofing over waste storage facilities or portions of ACAs. SCC staff site visit required to document the need for a roof structure prior to BMP approval.

*Certification Requirements:* Individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

### **Sediment Basin**

*Practice Code:* 350

*Reportable Units:* No.

*Lifespan:* 5 years

*Tax Credit Rate:* 50%

*Additional Information:*

*REAP Conditions:* REAP tax credits are not authorized for structures designed to impound water for irrigation, recreation, to supply water to troughs or tanks, or for sediment basin maintenance.

*Certification Requirements:* Individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

### **Silage Leachate Management**

*Practice Code:*

*Reportable Units:* No.

*Lifespan:* Equal to longest component BMP lifespan, not to exceed 15 years

*Tax Credit Rate:* 50%

*Additional Information:*

*REAP Conditions:*

*Certification Requirements:* Any Conservation district or NRCS employee, or NRCS Certified Technical Service Provider, or private sector engineer or technician who has appropriate training and experience in the BMP planning, design and installation methods and techniques applicable to the size and scope of the BMP being certified.

### **Sinkhole and Sinkhole Area Treatment**

*Practice Code:* 527

*Reportable Units:* Ac.

*Lifespan:* 5 years

*Tax Credit Rate:* 50%

*Additional Information:*

*REAP Conditions:* Utilized to permanently close sinkholes that currently pose a threat to groundwater pollution from animal activity or manure application.

*Certification Requirements:* Individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

### **Solid/Liquid Waste Separation Facility**

*Practice Code:* 632

*Reportable Units:* No.

*Lifespan:* 10 years

*Tax Credit Rate:* 50%

*Additional Information:*

*REAP Conditions:*

*Certification Requirements:* Individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

### **Spring Development**

*Practice Code:* 574  
*Reportable Units:* No.  
*Lifespan:* 5 years  
*Tax Credit Rate:* 50%  
*Additional Information:*  
*REAP Conditions:* Eligible in conjunction with Prescribed Grazing (528) only. Subsurface drainage (606) is only authorized for supplying a viable water source needed for the livestock and in conjunction with providing a stable outlet. The practice is not authorized for traditional tile drainage in adjacent fields. Practice may include a maximum of 1,200 feet of 4 inch collection line only. SCC staff approval of collection systems greater than 1,200 feet is required prior to BMP approval. All Federal, State, and Local laws and regulation pertaining to wetlands must be followed.  
*Certification Requirements:* Individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

**Stream Crossing**

*Practice Code:* 578  
*Reportable Units:* No.  
*Lifespan:* 5 years  
*Tax Credit Rate:* 50%  
*Additional Information:* Applicant is responsible for all local, state and federal permits and approvals that may be required.  
*REAP Conditions:* Eligible for animal and agricultural equipment crossing and in conjunction with Prescribed Grazing (528). REAP tax credits not authorized for any construction or portion thereof that is greater than 14 feet in width.  
*Certification Requirements:* Individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

**Stream Bank and Shoreline Protection**

*Practice Code:* 580  
*Reportable Units:* Ft.  
*Lifespan:* 5 years  
*Tax Credit Rate:* 50%  
*Additional Information:* Applicant is responsible for all local, state and federal permits and approvals that may be required.  
*REAP Conditions:* Used to stabilize stream banks eroded due to excessive water flow or livestock activity.  
*Certification Requirements:* Individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

**Stripcropping**

*Practice Code:* 585  
*Reportable Units:* Ac.  
*Lifespan:* 5 years  
*Tax Credit Rate:* 50%  
*Additional Information:*  
*REAP Conditions:* Planning and layout costs only.  
*Certification Requirements:* Any Conservation district or NRCS employee, or NRCS Certified Technical Service Provider, or private sector engineer or technician who has appropriate training and experience in the BMP planning, design and installation methods and techniques applicable to the size and scope of the BMP being certified.

**Structure for Water Control**

*Practice Code:* 587

*Reportable Units:* No.  
*Lifespan:* 5 years  
*Tax Credit Rate:* 50% or 75%  
*Additional Information:* 75% rate when used for ACA treatment.  
*REAP Conditions:* REAP tax credits not authorized for the installation of structures designed to impound water for irrigation, recreation, household water, or to create ponds.  
*Certification Requirements:* Individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

**Subsurface Drain**

*Practice Code:* 606  
*Reportable Units:* Ft.  
*Lifespan:* 5 years  
*Tax Credit Rate:* 50%  
*Additional Information:*  
*REAP Conditions:* Subsurface drainage is not authorized for REAP tax credits as a stand-alone practice or component of an existing or proposed practice. May only be used as a companion practice for primary structural practices such as: Grassed Waterway (412), Terrace (600), Spring Development (574), or Waste Storage Facility (313) or as a companion practice to establish and stabilize Stripcropping (585) on slopes of 5% or greater. REAP tax credits not authorized when used as supporting practices for non-structural or vegetative practices such as Conservation Cover (327), Contour Farming (330), Cover Crop (340), Forage and Biomass Planting (512).  
*Certification Requirements:* Individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

**Terrace**

*Practice Code:* 600  
*Reportable Units:* Ft.  
*Lifespan:* 5 years  
*Tax Credit Rate:* 50%  
*Additional Information:*  
*REAP Conditions:* The practice is to be applied where: water erosion is a resource concern, the soils and topography are such that terraces can be constructed and farmed with a reasonable effort and a stable outlet can be provided.  
*Certification Requirements:* Individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

**Tree/Shrub Establishment**

*Practice Code:* 612  
*Reportable Units:* Ac.  
*Lifespan:* Riparian Forest Buffer – 15 years, Vegetated Buffer – 10 years  
*Tax Credit Rate:* 50% or 75%  
*Additional Information:* 75% rate when used in conjunction with 50 foot or greater width Riparian Forest Buffer.  
*REAP Conditions:* 180 foot maximum width eligible for REAP Tax Credits. Eligible in conjunction with Riparian Forest Buffer (391) and Vegetated Buffer establishment only.  
*Certification Requirements:* Any Conservation district or NRCS employee, or NRCS Certified Technical Service Provider, or private sector engineer or technician who has appropriate training and experience in the BMP planning, design and installation methods and techniques applicable to the size and scope of the BMP being certified.

**Underground Outlet**

*Practice Code:* 620

*Reportable Units:* Ft.  
*Lifespan:* 5 years  
*Tax Credit Rate:* 50% or 75%  
*Additional Information:* 75% rate when used for ACA treatment.  
*REAP Conditions:* This practice is to be used as a supporting practice to outlet water from other conservation practices such as roof runoff structure, terrace, and watering facilities.  
*Certification Requirements:* Individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

**Vegetated Buffer**

*Practice Code:*  
*Reportable Units:* Ac.  
*Lifespan:* 5 years  
*Tax Credit Rate:* 50%  
*Additional Information:*  
*REAP Conditions:* Eligible for Act 38 or MMP 35 foot minimum width manure application buffer. Eligible for establishment of any mixture of herbaceous vegetation only. The establishment of woody vegetation is not eligible for REAP tax credits.  
*Certification Requirements:* Any Conservation district or NRCS employee, or NRCS Certified Technical Service Provider, or private sector engineer or technician who has appropriate training and experience in the BMP planning, design and installation methods and techniques applicable to the size and scope of the BMP being certified.

**Vegetated Treatment Area**

*Practice Code:* 635  
*Reportable Units:* Ac.  
*Lifespan:* 5 years  
*Tax Credit Rate:* 50% or 75%  
*Additional Information:* 75% rate when used for ACA treatment.  
*REAP Conditions:*  
*Certification Requirements:* Individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

**Waste Storage Facility**

*Practice Code:* 313  
*Reportable Units:* Sq. Ft.  
*Lifespan:* 10 years  
*Tax Credit Rate:* 50%  
*Additional Information:* If BMP includes a roof structure, the Roofed Storage/Roofed ACA worksheet (page 15 of Application) must be submitted along with the application. Applicant is responsible for all local, state and federal permits and approvals that may be required.  
*REAP Conditions:* SCC staff may need to confirm the need for a roof structure associated with a waste storage facility.  
*Certification Requirements:* Individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

**Waste Transfer**

*Practice Code:* 634  
*Reportable Units:* No.  
*Lifespan:* 10 years  
*Tax Credit Rate:* 50% or 75%  
*Additional Information:* 75% rate when used for ACA treatment.

*REAP Conditions:* Eligible in conjunction with Waste Storage Facility (313) and Alternative Manure Utilization only. REAP tax credits are not authorized for: Portable pumps, pumping equipment or other portable equipment for removing, distributing, or applying animal waste on the land; Facilities that do not meet local or State regulations; Installations intended primarily for the operator’s convenience; electric lines.

*Certification Requirements:* Individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

**Waste Treatment**

*Practice Code:* 629  
*Reportable Units:* No.  
*Lifespan:* 5 years  
*Tax Credit Rate:* 50%

*Additional Information:*

*REAP Conditions:* Eligible in conjunction with Alternative Manure Utilization only (composting, etc.)

*Certification Requirements:* Any Conservation district or NRCS employee, or NRCS Certified Technical Service Provider, or private sector engineer or technician who has appropriate training and experience in the BMP planning, design and installation methods and techniques applicable to the size and scope of the BMP being certified.

**Waste Treatment Lagoon**

*Practice Code:* 359  
*Reportable Units:* Cu. Ft.  
*Lifespan:* 10 years  
*Tax Credit Rate:* 50%

*Additional Information:*

*REAP Conditions:*

*Certification Requirements:* Individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

**Water and Sediment Control Basin**

*Practice Code:* 638  
*Reportable Units:* No.  
*Lifespan:* 5 years  
*Tax Credit Rate:* 50%

*Additional Information:*

*REAP Conditions:* REAP tax credit not authorized for structures designed to impound water for irrigation, recreation, to supply water to troughs or tanks and sediment basin maintenance.

*Certification Requirements:* Individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

**Water Well**

*Practice Code:* 642  
*Reportable Units:* No.  
*Lifespan:* 5 years  
*Tax Credit Rate:* 50%

*Additional Information:*

*REAP Conditions:* Eligible in conjunction with Prescribed Grazing (528) only. REAP tax credits not authorized for: electric components; dry wells; providing water for the farm headquarters; domestic use.

*Certification Requirements:* Individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

**Watering Facility**

*Practice Code:* 614

*Reportable Units:* No.

*Lifespan:* 5 years

*Tax Credit Rate:* 50%

*Additional Information:*

*REAP Conditions:* Eligible in conjunction with Prescribed Grazing (528) only. REAP tax credits authorized for permanently located facilities within grazing paddocks or pastures. REAP tax credits not authorized for power sources or for Watering Facilities located at the farmstead.

*Certification Requirements:* Individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

**Well Decommissioning**

*Practice Code:* 351

*Reportable Units:* No.

*Lifespan:* 5 years

*Tax Credit Rate:* 50%

*Additional Information:*

*REAP Conditions:*

*Certification Requirements:* Any Conservation district or NRCS employee, or NRCS Certified Technical Service Provider, or private sector engineer or technician who has appropriate training and experience in the BMP planning, design and installation methods and techniques applicable to the size and scope of the BMP being certified.

## Attachment 2

### REAP Policy – Conservation and Ag E&S Plans

An agricultural operation that is an applicant for the REAP Tax Credit Program for agricultural BMP or equipment must first have in place a current conservation plan or agricultural E&S plan for all acres plowed and or tilled that are under their management control (owned or rented or leased or utilized) in the year that they are applying for REAP Tax Credits to be eligible for the program.

For the purposes of REAP, a conservation plan or Ag E&S plan, is defined as “current” if the plan accurately reflects the existing operation; including correct and current number of acres, crop rotations, tillage, and animal numbers and if the plan is being implemented in accordance with the implementation schedule.

A current conservation plan or Ag E&S plan, must address the following soil, water and nutrient resource concerns on the agricultural operation with the identified quality criteria:

| Resource Concern  | Description of Concern  | Quality Criteria  | Assessment or Evaluation Tools   |
|---|---|---|--|
| Soil Erosion – Sheet & Rill   | Detachment and transport of soil particles degrade soil quality.  | Sheet and Rill erosion does not exceed “T” over the crop rotation.  | Visual, RUSLE hard copy, RUSLE2  |
| Soil Erosion – Ephemeral & Classic Gully  | Small and large channels degrade soil quality.  | Conservation Practices or BMPs stabilize the small and large channels.  | Visual, volume calculation   |
| Water Quality – Excessive Suspended Sediment in Surface Water                     | Cropping system includes crops with <25% <i>cover</i> * adjacent to <i>surface water</i> ** , which degrades <i>surface water</i> ** quality. | Cropland with <25% <i>cover</i> * within 100’ of <i>surface water</i> ** are treated with additional Conservation Practices or BMPs to mitigate adverse effect. | Visual, transect measurement   |
| Water Quality – Excessive Nutrients & Organics in Surface Water and Groundwater # | Pollution from human-induced nutrients (N, P and Organics) degrades <i>surface water</i> **/groundwater.                                      | Nutrients and organics are stored, handled and applied to mitigate adverse effect.  | Visual, water quality indicators, P Index, MMP***, P.C. 590, Act 38, Act 38 + Permit |

\* The term *cover* includes living plant cover and post- harvest crop residue.

\*\* The term *surface water* is limited to: perennial and intermittent streams, lakes, ponds and existing open sinkholes.

\*\*\* The term *MMP* denotes the requirements of the DEP Manure Management Plan.

# This resource concern is now required to be addressed for all REAP participating farms.

## Attachment 3

### Nutrient Management Policy for REAP Participants

Proposed and existing CAOs and CAFOs are required to have an approved Nutrient Management Plan under the State Conservation Commission's (SCC) Nutrient Management Program (Act 38) in order to be eligible for REAP tax credits. If these operators do not have a plan, they may submit a REAP application to support their efforts to get a plan developed for their farm. Likewise, all farming operations (Non-CAO and Non-CAFO) may also apply for REAP tax credits to develop a nutrient management plan meeting the SCC's Act 38 criteria.

All farming operations that generate or utilize manure, other than CAO's and CAFOs, are required to have a Manure Management Plan (MMP) under the Department of Environmental Protection (DEP) Chapter 91 regulations in order to be eligible for REAP tax credits.

Nutrient Management Plans written under Natural Resources Conservation Service (NRCS) Comprehensive Nutrient Management Plans (CNMPs), as part of the operations conservation plan meet the criteria of DEP's Chapter 91 MMP.

MMPs can be prepared by the farmer although the farmer may benefit from obtaining assistance from individuals trained and experienced in developing these plans. The Best Management Practices (BMPs) applied for through the REAP Tax Credit program must be consistent with the MMP.

The development of these NMPs or MMPs will require soil testing and manure testing to properly determine manure applications rates. If manure testing is not possible prior to developing the plans (which will likely be the case as these are being developed to address a new system), book values for manure nutrient content should be used, and the plan updated when actual analysis is available within the first year of operation.

This nutrient/manure planning requirement (NMP, MMP) must address the owned and rented fields where manure from the operation is planned to be mechanically applied. For grazing operations, a grazing plan meeting NRCS P.C. 528 standards will meet this requirement.

Manure volume for the operation will be calculated by the BMP designer, as necessary to properly design the manure management or storage BMP being considered for this operation.

The operator will need to implement the chosen NMP or MMP and keep it current with the farming operation for the lifespan of the BMP for which the REAP tax credit has been approved. This will generally be 10 years from the certification date of the BMP.

## Attachment 4

### Verification Signatures for Section 2

The individual signing on the “Verification Signature” line (page 4 of the application) for Conservation plans, Ag E&S Plans, Animal Concentration Areas, and Nutrient or Manure Management Plans is verifying that: the plan exists, that it reflects the current operation on the agricultural operation (tillage, number of acres, animal numbers and type(s), crop rotations, etc.), and that the plan is either 1) fully implemented, or 2) is being actively implemented on a reasonable written implementation schedule.

The individual signing on the “Verification Signature” line must not have a potential conflict of interest with the applicant. The individual signing verification signature line shall not verify the existence of required plans for their own application, an application for immediate family members or a business with which the individual or a member of their immediate family is associated. For purposes of this REAP application, immediate family includes a parent, spouse, child, brother, or sister.

Please note that BOTH Section 2A and Section 2B must be verified by a qualified individual, even if there are no animals present on the operation.

The following organizations/individuals are qualified under REAP to provide the necessary verification signatures:

- Conservation District Employees with a working knowledge and appropriate training in the conservation planning process and BMP implementation.
- Qualified Technical Service Providers (TSPs)— those in the TSP registry and certified to write conservation plans, or working under the supervision of a certified TSP.
- Individuals with current certification under Act 38 of 2005, both public and private sector.
- USDA NRCS employees who are certified in conservation planning, or working under the supervision of a certified individual. ***The Commission will accept the signature of a USDA NRCS employee on a form provided by the USDA NRCS in lieu of the signature on the REAP application form, provided the NRCS form verifies the same requirements. Please attach the USDA NRCS form where applicable.***

Note: Where verification signatures may be provided by qualified staff at the County Conservation District as permitted above to verify REAP documents, this is a function of the individual staff and does not require an action of the District Board.

### Verification Signatures for Equipment Purchases

The “Verification Signature” information (page 4 of the application) as noted above must be completed for equipment purchases, as well as an “Equipment Certification” signature (pages 11 or 12 of the application), for the application to be considered complete.

For equipment purchases, manufacturers and dealers of equipment with appropriate knowledge of specific equipment, private sector engineers and others as determined by the Commission are qualified under the REAP program to sign on the “Equipment Certification” line of the application.

The individual signing on the "Equipment Certification" line must not have a conflict of interest with the applicant. The individual signing on the equipment certification line can not certify/verify their own equipment or the equipment purchase for an immediate family member or a business with which the individual or a member of immediate family is associated with.

*The Commission reserves the right to disqualify any individual from providing a "Verification Signature."*

## Attachment 5

### REAP No Till Equipment Requirements

All REAP tax credit applications for the purchase of no-till equipment must meet ALL other general REAP Eligibility Requirements. Please complete the REAP Eligibility questions beginning on Page 2 of the Application to determine eligibility.

#### Requirements for No-Till Equipment

The Commission will not approve applications for tax credits for any no-till equipment delivered before October 23, 2007 or for equipment for which the life span, as defined by Attachment 1 (page 8) has expired.

For the fiscal year 2013-14 program, delivery of all no till planting equipment must take place by **June 30, 2014**.

All applicants for REAP tax credits for no till planting equipment must attach a bill of sale, sales order, price quote or receipt which shows the purchase price of the equipment. If the equipment has been delivered at the time of application, the applicant must provide a paid receipt which reflects the total cost paid, the delivery date of the equipment, and a serial number.

The SCC reserves the right to deny an application for equipment if the cost of the equipment is not within reasonable and fair market value as determined by the Commission.

To be eligible for the REAP program, all equipment must be designed and commercially manufactured for the specific purpose and intent as listed below and the applicant must agree to not alter the intended use.

#### New equipment qualifications

- The no-till planter or drill must be capable of placing seeds at the optimum depth for germination and growth in untilled soil with residue cover.
- The equipment purchase must include field setup by an equipment dealer.
- Applicant must sign the certification, "REAP No Till Equipment Purchase Certification," stating that the equipment will be utilized by the applicant as intended in untilled soil consistent with the provisions of a current conservation plan.
- New equipment shall have a REAP lifespan of 7 years.

#### Used equipment qualifications:

- The used no till drill or planter must be capable of placing seeds at the optimum depth for germination and growth in untilled soil with residue cover.
- The equipment purchase must include field setup by the equipment dealer.
- All wear items must meet or exceed manufacturer's guidelines for wear replacement parts as certified by a qualified equipment dealer.
- The equipment is certified to meet the above used equipment criteria by a qualified farm equipment dealer authorized by the Commission or any other person authorized by the Commission.
- Applicant must sign the certification, "REAP No Till Equipment Purchase Certification," stating that the equipment will be utilized by the applicant as intended in untilled soil consistent with the provisions of a current conservation plan.

- The costs of parts, repair or refurbishing of existing no-till planting equipment does **not qualify** for REAP Tax credits.
- ***Used equipment sold privately must be certified by a dealer representative to meet the above used equipment criteria.***
- Used equipment shall have a lifespan of 3 years

#### “Trade in – Trade up” Policy

In some circumstances, an applicant may wish to sell or trade in a piece of no till planting equipment for which the applicant has received a REAP tax credit prior to the expiration of the required lifespan under the REAP program (7 years for new equipment, 3 years for used equipment) for a comparable or larger piece of eligible no till equipment. The following policy is in effect for these instances:

- If a REAP tax credit recipient wishes to trade in a piece of equipment for which a REAP tax credit was received prior to the expiration of the lifespan, the applicant must immediately make a request to the Commission in writing.
- The Commission will consider the request for a “waiver” of the lifespan requirement if the applicant is trading or selling the original piece(s) of equipment for another piece of no till planting equipment which will allow the farmer to no till a comparable or larger number of no till acres.
- An “Equipment Certification Form” must be submitted for the new piece of equipment.
- The applicant will be eligible for a REAP tax credit, up to the maximum \$150,000 per applicant, which equals the difference between the credit received on the originally purchased piece of equipment, and the eligible credit on the new equipment. The applicant must submit a new application for these costs.
- If the applicant receives REAP tax credits for the difference between the cost of the original equipment and the cost of the new equipment, the lifespan requirement “starts over” with the new piece of equipment.
- If the applicant does not wish to apply for additional REAP tax credits, the lifespan for the original equipment will pass over to the “new equipment.” The new equipment must be used until the lifespan requirement of the original piece of equipment has been met.
- If the recipient of a tax credit does not provide prior written notification to the Commission that the recipient requests to trade in or sell a piece of equipment for which a REAP tax credit has been received, the recipient is subject to the provisions of the REAP statute which require the recipient to return to the Department of Revenue the full amount of the tax credit originally granted.

## Attachment 6

### REAP Low-Disturbance Manure Incorporation Requirements

All REAP Tax Credit applications for the purchase of Low-Disturbance Manure Incorporation Equipment must meet ALL other general REAP Eligibility Requirements. Please complete the REAP Eligibility questions beginning on Page 2 of the Application to determine eligibility.

#### Requirements for Low-disturbance Manure Incorporation Equipment

The Commission will not approve applications for tax credits for any Low Disturbance Manure Incorporation equipment purchased before October 23, 2007 or for equipment for which the life span, as defined by Attachment 1 (page 8) has expired.

For the fiscal year 2013-14 program, delivery of all Low Disturbance Manure Incorporation equipment must take place by **June 30, 2014**.

All applicants for REAP tax credits for low disturbance manure incorporation equipment must attach a bill of sale, sales order, price quote or receipt which shows the purchase price of the equipment. If the equipment has been delivered at the time of application, the applicant must provide a paid receipt which reflects the total cost paid, the delivery date of the equipment, and a serial number.

The SCC reserves the right to deny an application for equipment if the cost of the equipment is not within reasonable and fair market value.

To be eligible for the REAP program, all equipment must be designed and commercially manufactured for the specific purpose and intent and the applicant must agree to not alter the intended use.

#### New equipment qualifications

- The equipment must be capable of leaving a minimum of 50% of pre-operation residue or cover on the surface following the manure incorporation operation.
- Adjustable equipment must be adjusted to meet the above residue or cover condition regardless of the number of equipment passes.
- The purchase of adjustable equipment must include field setup by an equipment dealer.
- Applicant must sign the certification, "REAP Low Disturbance Manure Incorporation Equipment Purchase Certification," stating that the equipment will be utilized by the applicant as intended in accordance with the provisions of a current conservation plan.
- New equipment shall have a REAP lifespan of 7 years.

#### Used equipment qualifications:

- Used equipment must be capable of meeting the same conditions as new equipment
- All wear items must meet or exceed manufacturer's guidelines for wear replacement parts as certified by a qualified equipment dealer.
- Applicant must sign the certification, "REAP Low Disturbance Manure Incorporation Equipment Purchase Certification," stating that the equipment will be utilized by the applicant as intended in accordance with the provisions of a current conservation plan.

- The costs of operator-installed parts, repair or refurbishing of existing equipment does **not qualify** for REAP Tax credits
- ***Used equipment sold privately must also be certified by a dealer representative to meet the above used equipment criteria.***
- Used equipment shall have a lifespan of 3 years.

Eligible equipment:

1. Vertical tillage tools, using only flat coulters, that level and mix soil and manure at or near the soil surface
2. Combination tillage tools (disc + rotary harrow, disc + rolling basket, etc.) that perform as in item # 1 above
3. Rotary harrows
4. Shallow disk injectors
5. Aerators that form openings in the soil

**Note: Equipment whose main function is secondary tillage (i.e. disking equipment) is not eligible.**

“Trade in – Trade up” Policy

In some circumstances, an applicant may wish to sell or trade in a piece of Low Disturbance Manure Incorporation equipment, for which the applicant has received a REAP tax credit, prior to the expiration of the required lifespan under the REAP program (7 years for new equipment, 3 years for used equipment.) for a comparable or larger piece of eligible Low Disturbance Manure Incorporation equipment. The following policy is in effect for these instances:

- If a REAP tax credit recipient wishes to trade in a piece of equipment for which a REAP tax credit was received prior to the expiration of the lifespan, the applicant must immediately make a request to the Commission in writing.
- The Commission will consider the request for a “waiver” of the lifespan requirement if the applicant is trading or selling the original piece(s) of equipment for another piece of Low Disturbance Manure Incorporation equipment which will allow the farmer to utilize the equipment on a comparable or larger number of acres.
- An “Equipment Certification Form” must be submitted for the new piece of equipment.
- The applicant will be eligible for a REAP tax credit, up to the maximum \$150,000 per applicant, which equals the difference between the credit received on the originally purchased piece of equipment, and the eligible credit on the new equipment. The applicant must submit a new application for these costs.
- If the applicant receives REAP tax credits for the difference between the cost of the original equipment and the cost of the new equipment, the lifespan requirement “starts over” with the new piece of equipment.

- If the applicant does not wish to apply for additional REAP tax credits, the lifespan for the original equipment will pass over to the “new equipment.” The new equipment must be used until the lifespan requirement of the original piece of equipment has been met.
- If the recipient of a tax credit does not provide prior written notification to the Commission that the recipient requests to trade in or sell a piece of equipment for which a REAP tax credit has been received, the recipient is subject to the provisions of the REAP statute which require the recipient to return to the Department of Revenue the full amount of the tax credit originally granted.

## Attachment 7

### Map Requirements

The REAP application must include\*:

- A 1:24,000 scale USGS Topographic quad map showing an outline of your home farm and any other parcels that contain the BMPs requested in your application.
  - An 8.5" X 11" black and white photocopy of a USGS Quad map at 1:24,000 scale is acceptable provided it includes the name of the Quad, and a major cultural feature or map feature that is readily identifiable.
  - Be sure to include the name of the 1:24,000 Quad maps.
- Other maps or aerial photographs may be accepted at the discretion of the Commission provided that the map is of sufficient scale and clarity to clearly identify the location of the BMPs for which tax credits are sought.

\* Planning BMPs, No-Till equipment, and Manure Incorporation equipment are exempt from these mapping requirements.

If you have any questions about where to obtain the required map, please contact:

- Your technical service provider
- The County Conservation District
- The State Conservation Commission at 717-787-8821

#### ***Frequently Asked Map Questions***

**Q.** All I want to do is buy a no-till drill. Do I still have to provide all this mapping information?

**A.** No. You are exempt from this requirement.

**Q.** As a sponsor what do I have to submit?

**A.** Requirements for sponsored applications are the same as those for any other applicant.

**Q.** My agricultural operation consists of five separate parcels? How should I draw them?

**A.** Draw them as five separate parcels unless they have common boundaries. Those parcels may be drawn with a common exterior perimeter if you desire.

## Attachment 8

### Tax Credit Brokers

**Diane M. Comrey Tax Credit Sales**

P.O. Box 1421  
Mechanicsburg, PA 17055  
Phone: 717-315-3765  
Diane Comrey  
[earthcareconservation@yahoo.com](mailto:earthcareconservation@yahoo.com)

**Fallbrook Credit Finance, LLC**

26610 Agoura Road, Suite 120  
Calabasas, CA 91302  
(818) 657-6103 Direct Line  
(818) 657-6100 Main Line  
(818) 657-6146 Fax  
Josh Lederer  
[Lederer@fallbrookcredits.com](mailto:Lederer@fallbrookcredits.com)  
[www.fallbrookcredits.com](http://www.fallbrookcredits.com)

**KIZ Resources, LLC.**

The Pines Plaza  
1637 E. Pleasant Valley Blvd.  
Altoona, PA 16602  
Phone: 814-296-2414  
Fax: 814-941-2424  
<http://www.kizresources.com>  
[Chris.palazzi@kizresources.com](mailto:Chris.palazzi@kizresources.com)  
[lindseybennett@kizresources.com](mailto:lindseybennett@kizresources.com)

**MSC Business Services**

P O Box 8736  
Camp Hill, PA 17001-8736  
Phone: 717-731-3517  
Fax: 717-731-3546  
Michael Evanish, Manager  
[mwevanish@pfb.com](mailto:mwevanish@pfb.com)

**MVM Associates, Inc.**

426 Pennsylvania Avenue Suite 110  
Fort Washington, PA 19034  
Phone: 215-540-8463  
Fax: 215-540-8455  
<http://www.mvmgrants.com>  
Michael V. McCann  
[mikem@mvmgrants.com](mailto:mikem@mvmgrants.com)

**Tax Credits, LLC**

242 Old New Brunswick Road, Suite 145  
Piscataway, NJ 08854  
Phone: 732-885-2930  
Cell: 908-247-3087  
Fax: 732-885-2938  
Kenneth Blaine  
[KBlaine@taxcreditsllc.com](mailto:KBlaine@taxcreditsllc.com)

Disclaimer: This attachment is provided for informational purposes only. The Commission is aware that these private organizations provide services related to the sale of tax credits, but neither endorses these organizations, guarantees their services, nor the sale price of any tax credit.

## Attachment 9

### Definitions

#### Act 55 of 2007 (Section 1702-E)

**“Agricultural Erosion and Sedimentation Control Plan.”** site-specific plan that:

1. Meets the requirement of the Act of June 22, (1937 P.L. 1987, No 394), known as the Clean Streams Law and 25 PA. Code Chapter 102 (relating to erosion and sediment control);
2. Identifies best management practices to minimize accelerated erosion and sediment from an agricultural operation.

**“Agricultural Operation.”** The property on which occur the management and use of farming resources for the production of crops, livestock or poultry or for equine activity.

**“Animal Concentration Areas.”** An exterior area of an agricultural operation subject to rainfall where livestock congregate, including a barnyard, a feedlot, a loafing area, an exercise lot or other similar animal confinement area that will not maintain a growing crop, or where deposited manure nutrients are in excess of crop needs. The term does not include areas managed as pasture or other cropland and pasture access ways if they do not cause direct flow of nutrients to surface water or groundwater.

**“Best Management Practice.”** A practice or combination of practices determined by the State Conservation Commission or United States Department of Agriculture Natural Resources and Conservation Service to be effective and practical, considering technological, economic and institutional factors, to manage nutrients and sediment to protect surface water and groundwater.

**“Business Firm.”** An entity authorized to do business in this Commonwealth and subject to the taxes imposed by Article III, IV, VI, VII, VIII, IX or XV.

**“Commission.”** The State Conservation Commission.

**“Conservation District.”** A county conservation district established under the Act of May 15, 1945 (P.L.547, No.217) known as the Conservation District Law.

**“Conservation Plan.”** A plan, including a schedule for implementation, that identifies site specific conservation best management practices on an agricultural operation.

**“Department.”** The Department of Revenue of the Commonwealth.

**“Eligible Applicants.”** A business firm or an individual who is subject to the taxes imposed by Article III, VI, VII, VIII, IX or XV.

**“Equine Activity.”** The term includes the following activities: the boarding of equine; the training of equine; the instruction of people in handling, driving or riding equine; the use of equine for riding or driving purposes; the pasturing of equine.

The term does not include activity licensed under the Act of December 17, 1981 (P.L. 435, No. 135), known as the Race Horse Industry Reform Act.

**“Individual.”** A natural person.

**“Legacy Sediment.”** Sediment that meets all of the following conditions:

1. Was eroded from upland areas after the arrival of early Pennsylvania settlers and during centuries of intensive land use.
2. Was deposited in valley bottoms along stream corridors, burying presettlement streams, floodplains, wetlands and valley bottoms.
3. Altered and continues to impair the hydrologic biologic, aquatic, riparian and water quality functions of presettlement and modern environments.

**“Nutrient Management Plan.”** As defined under 3 PA.C.S. CH. 5 (Relating to nutrient management and odor management).

**“Nutrient Management Specialist.”** As defined under 3 PA.C.S. CH. 5 (Relating to nutrient management and odor management).

**“Pass-through Entity.”** A partnership as defined in Section 301 (N.0) or a Pennsylvania corporation as defined in Section 301 (N.1).

**“Qualified Tax Liability.”** The liability for taxes imposed upon and eligible applicant under Article III, IV, VI, VII, VII, IX or XV. The term shall not include any tax withheld by an employer from an employee under Article III.

**“Riparian Forest Buffer.”** An area of mostly trees or shrubs which is adjacent to and up-gradient from watercourses or water bodies and which meets standards established by the United States Department of Agriculture Natural Resources and Conservation Service.

**“Technical Service Provider.”** An individual, entity or public agency certified by the United States Department of Agriculture Natural Resources and Conservation Service and placed on the approved list to provide technical services to program participants or to the United States Department of Agriculture program participants.

**“USDA-NRCS.”** United States Department of Agriculture Natural Resources and Conservation Service.  
.....

Terms not found in Act 55, as defined by the Commission:

**“Sponsor.”** A business subject to the following Pennsylvania Taxes (personal income tax, corporate net income tax, capital stock and franchise tax, bank shares tax, title insurance company premiums tax, insurance premiums tax, and mutual thrift institutions tax) which receives a REAP Tax Credit equal to the amount of money it contributes toward eligible farm conservation projects. In return, the business receives its entire investment back in the form of a tax credit. Agricultural operations provide the matching funds. The sponsor is the applicant for the REAP Tax Credit.

**“Agricultural Operation.”** - as it relates to the \$150,000.00 life time cap. Please see attachment 10 for complete definition.

## Attachment 10

### Application of Tax Credit Limitations for Agricultural Operations:

For purposes of evaluating REAP applications and applying tax credit limits prescribed in Section 1703-E (B) of the Act, the Commission will consider an eligible applicant as a single “agricultural operation” where ...

all tracts of land, whether contiguous or non-contiguous,

are under the common ownership and or common management control of the person, whether as an individual, corporation, partnership or other legal entity, applying for the REAP tax credit and have organizational structures that include or retain the same or significantly similar ownership, management, directors, officers or shareholders

or which utilize substantially common management or production resources such as land, equipment, labor, accounting and business systems to support one or more farm enterprises, partnerships, corporations or other farm related entity.

These entities with significantly similar organizational structures or which utilize substantially common management or production resources will be considered a single “agricultural operation” for purposes of REAP tax credits.



## REAP Cover Crop Job Sheet

**Applicant Name:** \_\_\_\_\_ **Field(s)** \_\_\_\_\_

**REAP requirement of Cover Crop Best Management Practice (BMP)**

**Cover Crop**

*Practice Code:* 340

*Reportable Units:* Ac.

*Lifespan:* Annual

*Tax Credit Rate:* 50%

*Additional Information:* Only completed projects are eligible. Tax credits are capped at \$42.00/acre.

*REAP Conditions:* Only seed costs and planting labor and equipment cost for the initial year of the practice are eligible. The practice is allowed only once per crop management unit (field). No nutrients from any source may be applied between the planting date and the following March 1<sup>st</sup>.

- An exception to this nutrient application restriction may be granted by the Commission if the applicant provides adequate documentation of the following:
  1. Livestock and or poultry is present on the farm and;
  2. There is inadequate manure storage and;
  3. There is no other cropland or other viable management option (i.e. export) readily available to the applicant for manure application or disposal in accordance with an approved nutrient or manure management plan.

All seed purchased for cover crop must be tested and properly labeled in accordance with the PA Seed Law and regulations. If the grower elects to use home grown seed, it must be tested for purity, germination and absence of noxious weeds by a recognized seed laboratory prior to seeding. Harvesting of the cover crop as grain is not allowed.

*Certification Requirements:* Completion of the Cover Crop – Job Sheet is required.

|   |   |
|---|---|
| <b>Purpose:</b> Cover Crops have multiple purposes that benefit many aspects of the land. Check all that apply to this field. |   |
| <input type="checkbox"/> Reduce erosion from wind and water   | <input type="checkbox"/> Weed suppression                                 |
| <input type="checkbox"/> Increase soil organic matter content   | <input type="checkbox"/> Provide supplemental forage                      |
| <input type="checkbox"/> Capture and recycle or redistribute nutrients in the soil profile                                    | <input type="checkbox"/> Soil moisture management                         |
| <input type="checkbox"/> Promote biological nitrogen fixation   | <input type="checkbox"/> Reduce particulate emissions into the atmosphere |
| <input type="checkbox"/> Increase biodiversity  | <input type="checkbox"/> Minimize and reduce soil compaction              |

**Planned Planting Specifications:**

| Field(s) | Species | Seeding Rate | Seeding Date | Establishment Method | Planned Nutrient Application (rate, type, timing) | Termination Timing/Method |
|----------|---------|--------------|--------------|----------------------|---|---------------------------|
|          |         |              |              |                      |   |                           |
|          |         |              |              |                      |   |                           |
|          |         |              |              |                      |   |                           |
|          |         |              |              |                      |   |                           |
|          |         |              |              |                      |   |                           |
|          |         |              |              |                      |   |                           |
|          |         |              |              |                      |   |                           |
|          |         |              |              |                      |   |                           |

|  |
|--|
| <b>Additional Specification and Notes:</b> |
|  |
|  |

**Certification Requirements:**

I affirm the information provided in this form is true and correct, and make these statements subject to the penalties of 18 PA.C.S.A §4904, relating to unsworn falsification to authorities.

\_\_\_\_\_  
 REAP Applicant Name (print)

\_\_\_\_\_  
 REAP Applicant Signature

\_\_\_\_\_  
 Date

I certify that the above Planting Specifications and Installation requirements \_\_\_\_\_ have \_\_\_\_\_ have not been met in accordance with the criteria of the REAP program. The total of \_\_\_\_\_ acres of this practice were installed on the locations covered by this job sheet.

\_\_\_\_\_  
 Designated Conservationist or Technical Service Provider (print)

\_\_\_\_\_  
 Signature Designated Conservationist or Technical Service Provider

\_\_\_\_\_  
 Date