



# Schedule BC Brownfields Credit

Name \_\_\_\_\_ Federal Identification or Social Security number \_\_\_\_\_

### General Information

- 1** Type of business for which property is being used (check only one):  
 Sole proprietorship    Partnership    S corporation    Corporation    Trust  
 Corporation included in a combined return (enter name and Federal Identification number of principal reporting company): \_\_\_\_\_  
 Other (specify) \_\_\_\_\_
- 2** Type of return this schedule is filed with \_\_\_\_\_
- 3** Location of project \_\_\_\_\_
- 4** Date of filing of Response Action Outcome Statement or Remedy Operation Status Submittal with DEP (enclose copy) \_\_\_\_\_

### Allowable Tax Credit Percentage

**5** Enter .25 if cleanup results in Activity and Use Limitation (AUL), or .5 if cleanup results in unlimited use . . . . . **5**

### Computation of Current Year Brownfields Credit

<b>6</b> Briefly, but accurately, describe purchases of qualifying property for the Brownfields Credit. Complete details must be available upon request.	<b>Date acquired</b>	<b>Assessed value prior to remediation</b>	<b>Cost of cleanup (after July 31, 1998)</b>

- 7** Total costs. The cleanup costs must exceed 15% of the assessed value of the cleanup area to claim the credit . . . **7**
- 8** Current year Brownfields Credit. Multiply line 7 (cost of cleanup) by .25 or .5, whichever applies . . . . . **8**
- 9** Brownfields credits carried over from previous years. See instructions . . . . . **9**
- 10** Credit available for use in current year. Combine lines 8 and 9 . . . . . **10**

### Credits Allowable in Current Year

- 11** Total tax for determining allowable credit. Form 1, line 28; Form 1-NR/PY, line 32; or Form 2, line 41. Chapter 63 taxpayers, see instructions. . . . . **11**
- 12** Total of other credits. See instructions . . . . . **12**
- 13** Subtract line 12 from line 11. Enter result. Not less than "0". . . . . **13**
- 14** Enter 50% of line 13 here. . . . . **14**
- 15** Brownfields Credit available this year. Enter amount from line 10 . . . . . **15**
- 16** Brownfields Credit allowable for use in current year. If line 14 is greater than or equal to line 15, enter amount from line 15. If line 14 is less than line 15, enter amount from line 14. See instructions . . . . . **16**

### Carryover to Future Years

**17** Maximum amount of credits for conversion to five-year carryover status:

Year	a. Unused credits from prior years and current year credit	b. Portion used this year	c. Unused credit available Subtract col. b from col. a	
			Amount	For
2007	(2010 Sch. BC, line 17) _____	_____	_____	2012
2008	(2010 Sch. BC, line 17) _____	_____	_____	2012–2013
2009	(2010 Sch. BC, line 17) _____	_____	_____	2012–2014
2010	(2010 Sch. BC, line 17) _____	_____	_____	2012–2015
2011	(2011 Sch. BC, line 8) _____	_____	_____	2012–2016
<b>18 Totals</b>	_____	_____	_____	

# Schedule BC Instructions

## General Information

### What Is the Brownfields Credit?

The Brownfields Credit (BC) is a tax credit designed to encourage private sector investment in the cleanup of contaminated sites in economically depressed areas. The Brownfields Act of 1998 ends liability for innocent owners and operators once they meet DEP's cleanup standards for oil and hazardous material releases. See TIRS 99-13, 00-9, 06-16 and 10-15 for further information.

### What Is an Eligible Site?

To qualify for this credit, a site must be located in an "Economically Distressed Area." A list of economically distressed areas can be obtained from the Massachusetts Office of Business Development, 1 Ashburton Place, Boston, MA 02108, or telephone (617) 778-3670, or toll-free outside of Massachusetts: 1-877-BIZTEAM.

### Who Is Eligible to Take the BC?

The credit is available to all businesses regardless of whether the business is a sole proprietorship, partnership, corporate trust or corporation. The taxpayer must be an owner or operator who did not own or operate the site at the time of the contamination and did not contribute to the contamination at the site. The site must be used for a business purpose. The taxpayer must complete the cleanup and submit a Response Action Outcome Statement or Remedy Operation Status Submittal document prior to claiming the credit.

### What Is the Allowable Tax Credit?

A credit of 25% of the cleanup costs is allowed for a cleanup that achieves and maintains a permanent solution or remedy operation status that results in limited use of the property. A credit of 50% of the cleanup costs is allowed for a cleanup that achieves and maintains a permanent solution or remedy operation status that makes the site safe for unrestricted use.

### Are There Special Requirements to Obtain the Credit?

Yes. Costs must be incurred between August 1, 1998 and January 1, 2014. Costs must be not less than 15% of the assessed value of the property prior to cleanup. The site must be reported to the DEP.

### Are There Limitations to the Credit?

Yes. Taxpayers subject to tax under MGL Ch. 62 (sole proprietorships, trusts and partnerships) are allowed to use the credit to offset up to 50% of their tax due. Corporations may offset up to 50% of the excise due with the credit. Corporations cannot use the credit to lower their excise below the minimum tax.

### May Excess Credits be Carried Over From Year to Year?

Yes. Taxpayers subject to tax under MGL Ch. 62 may carryover unused credits for five years. Taxpayers subject to tax under MGL Ch. 63 may carry over for five years any credits not used due to the 50% or minimum excise limitation.

## Line Instructions

**Line 1.** Check the type of business for which the property is being used.

**Line 2.** Enter the type of return that you file. Enclose a copy of this schedule with your return.

**Line 3.** The location of the qualified project should be entered here.

**Line 4.** Enter the date the Response Action Outcome Statement or Remedy Operation Status Submittal was filed with DEP.

**Line 5.** Enter .25 if limited use results or .5 if unlimited use results.

If you are an S corporation shareholder, you will be notified by the S corporation of the amount to enter in line 8. If you are a general or limited partner you will be notified by the partnership of the amount to enter in line 8. You must still complete lines 1 through 4.

**Line 6.** Enter here an accurate description of the qualifying property. Also list the date of acquisition, assessed value of property prior to cleanup, and cost of cleanup.

**Line 7.** This is the total cost of the cleanup.

**Line 8.** Multiply line 7 by 25% or 50%, whichever applies. This equals the current year BC.

**Line 9.** Enter the total Brownfields Credits carried over from prior years. Credits may not be carried over to a year when the taxpayer has ceased to maintain the remedy operational status or permanent solution for which the credit was granted.

**Line 10.** Combine lines 8 and 9. This is the total credit available for use. Taxpayers must calculate the maximum allowable credit on lines 11 through 16.

**Line 11.** Enter on line 11 your total tax for the year from Form 1, line 26; Form 1-NR/PY, line 32; Form 2, line 41; Form 355, line 6; Form 355S, line 9; Form 355U, Schedule U-ST, line 37. All other taxpayers subject to MGL Ch. 63 must enter the amount from the appropriate line on their return.

**Line 12.** Taxpayers filing Form 1, Form 1-NR/PY or Form 2, add the Limited Income Credit, Credit for Income Taxes Paid to Other Jurisdictions, Lead Paint Credit, Septic Credit, Low-Income Housing Credit, Historic Rehabilitation Credit, Medical Device Credit Solar and Wind Energy, Economic Development Incentive Program Credit, Economic Opportunity Area Credit and Film Incentive Credit, if any. Enter the result in line 12. All other taxpayers enter "0."

**Line 13.** Subtract line 12 from line 11 and enter the result here. Do not enter less than "0."

**Line 14.** Enter 50% of line 13.

**Line 15.** Enter the amount from line 10 and prior years unused BC.

**Line 16.** For taxpayers filing Form 1, Form 1-NR/PY or Form 2, if line 14 is greater than or equal to line 15, enter line 15 here. If line 14 is less than line 15, enter line 14 here. Corporations filing Form 355U and eligible to share the credit with other members of the combined group may exceed the amount on line 13 if the additional credits will be shared. See Form 355U instructions.

Enter the amount from line 16 on Form 1, Schedule Z; Form 1-NR/PY, Schedule Z; Form 2, line 45. Taxpayers filing Form 355U, enter the amount from line 15 on Schedule U-IC, line 7. All other taxpayers subject to MGL Ch. 63 enter the amount from line 16 on the appropriate schedule or line item of their return.

**Line 17.** Taxpayers with more credits available (line 10) than credits used (line 16) may be eligible to carry over the unused credits for up to 5 years. Taxpayers with credits eligible for carryover to 2012, complete lines 17 and 18.