

Cranberry Bog Renovation Tax Credit Program

Frequently Asked Questions

Last updated 4/02/2025

- 1) If a grower received an MDAR Grant for a qualified renovation, do they subtract the amount of the grant payment from the application for the Tax Credit?
 - a. Yes, the grant payment must be subtracted from the total of Qualified Renovation Expenditures. They need to show how and where that grant amount has been subtracted, and equivalently subtracted from the renovation expenditure total. Also, if there were NRCS, FSA or other grants provided to the operation, directly towards the renovations, those must be subtracted too. The best place to demonstrate all of the above transactions is in the budget. Show the costs there, show the grant funds and any of the funds used as a match, and then do the deductions to show the cost to the operation that were not acquired or used from outside funding programs.
- 2) A grower built a pumphouse to support a renovation project. The pump house will solely serve the 2 new sections of bogs. Can a pump house cost be included as part of the renovation expense?
 - a. No. Because the Legislature specifically emphasized that no facilities or structures associated with the “processing” of cranberries can be covered, we don’t see a place for any structures under this tax credit. A pump house, with a roof and walls and potentially of various and greater sizes, can end up raising more questions about other uses available inside the structure or potentially supplying water for processing. The pumps, pipes, valves and control equipment count, but not the roof and walls.
- 3) Can a grower get the tax credit for the cost incurred when building a new bog?
 - a. The scenario for getting the tax credit for new construction is limited. The regulations define “Qualified Renovation” work as the renovation, repair, replacement, regrading or restoration of a Cranberry Bog for the cultivation, harvesting or production of cranberries or any other activity or action associated with the renovation of an abandoned Cranberry Bog. So, you may replace existing acreage with new acreage and be eligible for the tax credit. But you need to include sufficient documentation showing that equivalent, existing acreage is being taken out of production on a permanent basis.
- 4) In-kind services and materials, can they be considered Qualified Renovation Expenditures?
 - a. No. Qualified Renovation Expenses are incurred as a result of an arms-length commercial transaction memorialized by a written receipt or invoice, and not by the provision of labor or other in-kind goods or services performed or provided by the Applicant or any Related Entity.

- 5) For expense documentation, what do I need to provide?
 - a. The Commonwealth of Massachusetts is providing a refundable tax credit directly to you or your business. To fully and properly document that credit, we require a good and complete invoice of the expense from the vendor. We also require a good and complete proof of payment which coincides with that invoice.
- 6) What if I submit my application on August 10, 2022, and when you review it 3 days later you find something is missing. Am I disqualified because the application date has passed?
 - a. No, get the application in by August 10, 2022. We will then be reviewing them all and notifying each applicant if something is missing. You must then make a good faith effort to get in the remaining information within the specified time period we provide you.
- 7) Question – “For expenses and when they occurred relative to when to apply for the tax credits. Because rebuilding a bog takes many months, the expenses span across 2 tax years. Recognizing that a grower can only claim that expense once, they need to capture all of the expenses for the renovation in order to have the credit financially worthwhile. For example, if a grower started a renovation in November 2024 but didn’t finish the project until June 2025, they would want to total all the expenses during that time period when they apply for the 2025 tax year.
 - a. Calendar 2023 and beyond applications
 - i. In the future and for more practical purposes, applications will be on a project basis. That means that 2025 applications will be for a project that may begin as early as October 1, 2024, and may not end until December 31, 2025. All of those months and expenses will receive a tax credit for calendar 2025. i.e. Expenses from October 1, 2024 will receive a 2025 tax credit.