



**FOR IMMEDIATE RELEASE**  
**September 18, 2019**

## **Wolf Administration Rolls Out PA Farm Bill Program to Increase Agricultural Conservation**

**Elizabethtown, PA** – Today, Secretary Russell Redding joined farmers and equipment dealers to announce the availability of \$10 million in Pennsylvania tax credits for on-farm conservation efforts. At Messick's Equipment in Elizabethtown, he outlined enhancements to PA's [nationally-recognized](#) Resource Enhancement and Protection Program (REAP) thanks to Governor Tom Wolf's PA Farm Bill.

"The Pennsylvania Farm Bill recognizes the deep culture of stewardship among Pennsylvania farmers," said Agriculture Secretary Russell Redding. "The newly expanded REAP program eases the financial responsibility of this stewardship while supporting viable, profitable farms and healthy waterways."

REAP is a Pennsylvania tax credit program for agricultural producers who implement best management practices or purchase equipment that reduces the amount of nutrient and sediment runoff and improves the quality of Pennsylvania's waters. This is the 13th year Pennsylvania farmers have been able to take advantage of REAP tax credits. Farmers may receive up to \$250,000 in any seven-year period, and spouses filing jointly can use REAP Tax Credits.

The most common projects approved are for no-till planting and precision ag equipment, waste storage facilities, conservation plans, [Nutrient Management Plans](#), and protecting animal heavy-use areas, like barnyards. Cover crops and riparian stream buffers are also common REAP-eligible practices. Farmers may receive REAP tax credits of 50 to 75 percent of the project's eligible out-of-pocket cost and can be used in conjunction with other funding sources such as the Environmental Quality Incentive Program (EQIP) or the Chesapeake Bay Program to help install BMPs. In addition, farmers whose operation is in a TMDL watershed can receive REAP tax credits of 90% of out-of-pocket costs for some projects. REAP applications are accepted on a first-come, first-served basis. The basic eligibility requirements are that producers must be in compliance with the [PA Clean Streams Law](#) and the Pennsylvania Nutrient and Odor Management Law.

Private investors may act as project sponsors by providing capital in exchange for tax credits. Any individual or business subject to taxation by Pennsylvania through personal income tax, corporate net income tax, the bank shares tax or others is eligible to participate in REAP.

Since the program began in 2007, REAP has awarded tax credits to more than 5,500 projects totaling over \$100 million. Improvements from these projects have kept more than five million pounds of nitrogen, 250,000 pounds of phosphorus, and 250,000 tons of sediment out of streams and rivers in Pennsylvania and the waterways they feed. Private investments in REAP have also contributed to the conservation projects, which in total are worth nearly \$250 million.

The 2020-21 REAP application packet, as well as other information about REAP, is available on the Pennsylvania Department of Agriculture's website, [agriculture.pa.gov](http://agriculture.pa.gov).

For more information about the [PA Farm Bill](#) and investments to support Pennsylvania agriculture, visit [agriculture.pa.gov](http://agriculture.pa.gov) or follow the department on [Facebook](#) and [Twitter](#).

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COMMONWEALTH OF PENNSYLVANIA  
STATE CONSERVATION COMMISSION

**DATE:** November 2, 2020  
**TO:** State Conservation Commission  
**FROM:** Johan E. Berger  
Financial, Certification and Conservation District Programs  
**SUBJ:** 2020 Program Accomplishments (January 1, 2020- October 31, 2020)  
Resource Protection and Enhancement Program (REAP)

**REAP Program Summary**

The REAP program allows farmers, businesses, and landowners to earn state tax credits in exchange for the implementation of conservation Best Management Practices (BMPs) on Pennsylvania farms. REAP is a “first-come, first-served” program – no rankings. The program is administered by the State Conservation Commission and the tax credits are awarded by the Pennsylvania Department of Revenue. Eligible applicants receive between 50% and 75% of project costs in the form of State tax credits for up to \$250,000 per agricultural operation in any consecutive 7-year period.

Additional provisions grant the Commission the ability to 1) reserve and target up to \$3.0 million of the total annual allocation for best management practices for nutrient and sediment reduction within the Chesapeake Bay watershed and, 2) the option to implement a 90% REAP tax credit option for certain high-priority BMPs within watersheds covered by an approved TMDL. Those practices include: riparian forest buffers; livestock exclusion from streams and supporting practices; stream crossings; cover crops; soil health BMPs; and other BMPs determined appropriate by the SCC. The FY2020 REAP program now includes the ability for an eligible applicant to receive a 90% tax credit for eligible BMPs listed above.

**Program Accomplishments**

The FY2020 REAP application period opened in August 2020. Due to impacts of the state ‘Interim’ FY2020 Executive Budget, the current annual tax credit allocation for FY2020 is \$10 million. Allocation of an additional \$3.0 million in tax credits, allowable under the tax code, is still pending passage of a final state budget after November 30, 2020.

Below is a summary of the FY2020 round of REAP applications, credits awarded to date, and a summary of REAP credits awarded for specific BMPs of interest. The FY2020 round of REAP began with approximately \$3 million already allocated to approved ‘roll-over’ FY2019 applications.

*Special note: The summary below includes approved applications that were submitted by farmers after REAP exhausted it’s \$13 million allocation (approximately April 1, 2020). These applications (approx. 50) were rolled-over to the FY2020-21 round of REAP.*

**(1.) Applications Received - FY 2020**

<b>Applications</b>	<b>Total Cost</b>	<b>Other Public Funds</b>	<b>REAP Requests</b>	<b>Credits Granted</b>
<b>FY2020 175</b>	<b>\$17.7 million</b>	<b>\$1.57 million</b>	<b>\$6.2 million</b>	<b>\$1.93 million</b>

**(2.) Summary of selected BMPs granted REAP tax credits - FY 2019 & FY 2020**

	<u><b>FY2019</b></u>	<u><b>FY2020</b></u>
a. REAP Request (project types)		
1) Proposed Projects million	\$3.7 million	\$3.25
2) Completed Projects	\$11.7 million	\$3.0 million
b. No-Till Equipment, Manure Injectors, Rollers	\$7.0 million	\$3.5 million
c. Structural BMPs and cover crops	\$7.4 million	\$2.2 million
d. Plans (Ag E&S, Conservation, Manure & Nut. Mgt.)	\$397,000	\$41,100
e. Low Disturbance Residue Mgt. Equipment*	\$309,800	\$0
f. Precision Ag Equipment	\$291,000	\$311,000
g. Sponsored Applications**	46	18

\* Residue Management Equipment is not eligible for REAP tax credits in FY 2020

\*\*Sponsorship has been limited to new projects for FY2020, which will likely reduce the overall number of sponsored applications

**(3.) Summary of Program Activities - January 01, 2020 – October 31, 2020**

The following is a summary of program activities accomplished in calendar year 2020. Please note that actions (i.e. credits issued) may have been taken on projects or activities approved in prior fiscal years (i.e. FY2018-19 and FY2019-20).

a. Tax Credits issued to applicants for completed, eligible projects	\$8.6 M
b. Number of BMPs completed associated with issued tax credits	341 projects
c. Number of tax credit 'sales' completed	201 sale <i>transactions</i>
d. Total tax credits processed through 'sales'	\$3.7 million
e. Number of site inspections conducted on completed projects	8
f. Educational and promotional activities included speaking events and various visits to conservation districts and NRCS offices across Pennsylvania.	22