

Tax Credits Available for Brownfield Redevelopment in Tennessee

Communities and developers in Tennessee can now take advantage of two tax credits for redeveloping Brownfield properties. Brownfields are properties which are abandoned, idled or underutilized industrial or commercial properties where real or perceived environmental contamination prevents expansion or reuse. Some examples of brownfields include former gas stations, dry cleaners and other commercial operations that may have utilized products or materials potentially hazardous to the environment. The following tax credits are offered to promote the economic redevelopment in communities by addressing potential environmental hazards, removing blight, creating new jobs and boosting tax revenue.

For Local Governments:

- Tennessee Code Annotated § 7-53-316 establishes a tax increment financing option for local government to encourage the redevelopment of brownfield properties. Specifically, the statute expanded the definition of “qualified costs” to include any environmental investigation and remediation costs required under a voluntary agreement or consent order issued under the TDEC VOAP Program. Additionally, the tax increment financing is available for use in all counties of the state and does not impose a size restriction on the brownfield property.

For Developers:

- Tennessee Code Annotated § 67-4-2009 establishes a franchise and excise tax credit for qualifying development projects located on brownfield properties and subject to a voluntary agreement or consent order issued under the TDEC VOAP Program. The amount of the tax credit varies according to the county where the development will be located and the expected capital investment.

Eligibility

Potential applicants should contact the Department of Economic and Community Development to request further information about tax credit eligibility. Potential applicants should contact the Department of Environment and Conservation’s Division of Remediation for more information about the Voluntary Oversight and Assistance Program.