

Resource Enhancement and Protection Program



Guidelines

Fiscal Year 2024

(July 1, 2024 – June 30, 2025)

State Conservation Commission
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Resource Enhancement and Protection (REAP) Program Guidelines 2024-25

A. Introduction

The Resource Enhancement and Protection Tax Credit Program was created in 2007 to incentivize private investment in the implementation of water quality best management practices (BMPs) on agricultural operations through the framework of compliance with the PA Clean Streams Law. The program is designed to enhance farm production and protect natural resources by enabling farmers, landowners, and businesses to earn Pennsylvania state income tax credits for implementing water quality BMPs.

Thirteen million dollars in REAP tax credits is available in FY 2024 to individuals and businesses that meet the eligibility requirements for the program. Guidelines for the program are established and administered by the State Conservation Commission.

See Attachment 1 for the list of REAP-Eligible BMPs.

B. Applicant Eligibility

1. The applicant must be an individual or business who is subject to income taxation by the Commonwealth of Pennsylvania. Examples include Personal Income Tax, Corporate Net Income Tax, and Bank Shares Tax.
2. Eligibility for REAP tax credits is based on an agricultural operation's compliance with the PA Clean Streams Law. As such, the operation must have in place the following:
 - i) A current Agricultural E&S Plan for all acres operated by the applicant. **The Plans must meet the requirements of Chapter 102.4 of the PA Clean Streams Law.** The ag operation must be on-schedule for full implementation of the plan.
 - ii) For operations that have animals or use manure: A current Nutrient Management Plan as required by **Chapter 83 of the PA Clean Streams Law and Act 38** or a Manure Management Plan as required by **Chapter 91 of the PA Clean Streams Law** for all acres operated by the applicant. The ag operation must be on-schedule for full implementation of the plan.
 - iii) An agricultural operation with animal concentration areas (ACAs) on any part of the operation must first implement all BMPs necessary to adequately treat nutrient, sediment, and storm water runoff from the ACA. Any BMPs necessary to properly treat an ACA are eligible for REAP tax credits. All ACA-related BMPs must be fully implemented prior to receiving REAP tax credits for any other REAP-eligible practice (except plans).

If the applicant does not have up-to-date Plans on all acres operated, the REAP application must include documentation of the development of these plans.

Non-PA residents must have their PA tax status confirmed by PA Department of Revenue prior to approval of the REAP application by the Commission.

The Commission reserves the right to determine whether the plans listed above meet the requirements of the PA Clean Streams Law; and to determine the status of ACA issues on an agricultural operation.

C. Project Eligibility

Applications are accepted on a first-come, first-served basis. All REAP-eligible BMPs must be necessary to reduce pollution from nitrogen, phosphorus, or sediment runoff. Please refer to Attachment 1 for a list of REAP-eligible BMPs.

Ag operations are limited to one REAP-eligible project (individual or sponsored) per round of the program.

Applicants may apply for proposed projects, completed projects, or a mix of both. Proposed projects must be based on reasonable cost estimates and a current site evaluation. Applications for proposed projects must include an estimated timeline for completion.

Projects are eligible for REAP tax credits for up to 3 years after the completion of the project (date of delivery for equipment); **AND** must still be within their listed REAP lifespan. REAP lifespans have been established by the Commission for all eligible BMPs and are listed in Attachment 1 of the REAP Guidelines. All projects must be maintained for their entire REAP lifespans.

The Commission will consider applications for BMPs on existing agricultural operations. Projects involving an expansion of an agricultural operation by greater than 25% may be subject to a 50% reduction of REAP-eligible costs.

Projects involving other public funding programs (e.g. ACAP, EQIP, Growing Greener) are eligible to receive REAP credits. No tax credit will be provided for the publicly funded portion of a project.

An agricultural operation is eligible for a maximum of \$250,000 of REAP tax credits in any consecutive 7-year period as calculated from the year in which the credit is issued (except as set forth in paragraph D).

REAP tax credits are awarded as a percentage of out-of-pocket costs. In general, high priority BMPs such as plan writing; or projects that treat runoff from animal concentration areas; are eligible for a higher rate. Please refer to Attachment 1 for information regarding the REAP tax credit rate for eligible BMPs.

Agricultural operations located within a watershed that has a written TMDL listing impairment from agricultural sources are eligible to receive REAP tax credits equal to 90% of out-of-pocket installation costs. The following BMPs are eligible for the 90% REAP tax credit on eligible operations:

1. Riparian buffers greater than 50 ft in width.
2. Multi-species Cover Crops (see Attachment 3)
3. Cover Crop roller/crimpers
4. Stream crossings and livestock exclusion from streams. BMPs used in conjunction with stream crossings and livestock exclusion are also eligible for 90% REAP tax credit (e.g. Animal Trails & Walkways, Fence, and off-stream watering facilities)
5. Soil Health Tests

The operator shall return to the Department of Revenue or the Department of Treasury the full amount of the REAP tax credit awarded if the BMP is not maintained for the full lifespan of the BMP, as determined by the Commission. If the recipient of the REAP tax credit provides prior written notification to the Commission that the BMP will not be maintained 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 REAP tax credit that shall be returned based on the remaining lifespan of the BMP.

The Commission reserves the right to deny an application for any BMP and/or equipment that does not meet the intent of the standards set forth by the Commission.

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

The Commission reserves the right to exclude individuals from the REAP program who are found to engage in fraudulent activity. For example: fraudulent verification signatures, BMP certification, receipts/invoices.

D. Sponsorship

An individual or business entity may act as a sponsor of a REAP-eligible project. A sponsor provides funding to an eligible ag operation for the REAP-eligible BMPs and the REAP tax credits are awarded directly to the sponsor. The sponsored ag operation must meet the eligibility standards set forth in paragraph B. A sponsored project is not subject to REAP's \$250K per 7-yr limit.

Sponsorship of REAP projects is reserved for proposed and/or recently completed projects. All projects must meet the definitions and standards of an eligible BMP on an agricultural operation (except for Streambank and Shoreline Protection, Riparian Buffer, and Riparian Buffer Maintenance – for which non-agricultural landowners are eligible) as set forth by the Commission.

Typical examples of sponsors include: banks, businesses, and individuals/family trusts. For projects involving a sponsor, the Commission requires a signed written agreement between the sponsor and the owner/operator of the property on which the project will be completed certifying that the ag operator will comply with all the requirements associated with the REAP tax credit. A sample Sponsor agreement is available upon request. Please contact the Commission for more information regarding Sponsorship.

The Commission reserves the right to limit the amount of REAP funds approved for a single sponsor in any given round of the REAP program.

E. Application Procedures

Projects that include the proposed purchase of equipment must be completed by **June 30, 2025**. Projects involving the implementation of structural BMPs must be on-schedule to be completed by **June 30, 2026**, to be eligible. Applicants may apply for proposed cover crop planting through **June 30, 2027**.

Tax credits are awarded upon completion of the approved project. The applicant must provide to the Commission paid receipts for the project and signed project certification information from a qualified individual. All projects must meet the design and certification standards established by the Commission.

2024-25 REAP Applications will be accepted beginning August 1st, 2024. Applications may be mailed or hand-delivered to the Commission office at the following address:

State Conservation Commission
REAP Program
2301 North Cameron Street
Harrisburg, PA 17110

E-mailed applications should be sent to: nbloom@pa.gov

The deadline for submitting 2024-25 REAP applications is September 1st 2024.

F. REAP Tax Credit Information

REAP tax credits can be awarded to individuals, pass-through entities, or corporations. The PA Department of Revenue (Revenue) will review an approved REAP participant's compliance with the Commonwealth's tax laws and regulations prior to awarding REAP tax credits. If an applicant is found to be non-compliant by Revenue, the tax compliance issue must be resolved first; then the Commission may resubmit the applicant's information to Revenue to award the REAP tax credit.

REAP tax credits can be used to pay PA income tax liability, dollar for dollar. The tax credit may be used for up to 15 years from the date it is awarded - applying the credit on each annual PA tax return until it is depleted. The REAP tax credit can be claimed against all income on a separately-filed or jointly-filed PA return.

Pass-through entities are eligible to receive REAP tax credits. REAP credits are passed through to the individual members of the business entity according to ownership share.

Single-Member Limited Liability Companies with an individual, partnership, or corporation as the single member are required to file the specified returns: individuals must file a PA-40 Individual Tax Return; partnerships or corporations must file the RCT-101 Corporate Tax Report or PA 20S/65 Information Return. *A single-member LLC with an individual as the owner must provide an SSN on the REAP application, in addition to the FEIN for the LLC.*

To claim the REAP tax credit, the recipient must file the tax credit claim form found on the reverse of the REAP tax credit certificate when filing the annual PA income tax return. Recipients should use the PA Schedule OC to calculate how much of the REAP tax credit to claim for the year. PA Dept of Revenue recommends filing the REAP tax claim form prior to filing the yearly tax return. Failure to submit the tax claim prior to the filing of the annual PA income tax return may result in delays in the processing of the annual income tax return.

Effective immediately, entities that are no longer subject to filing the RCT-101 Corporate Tax Report as per the phase out of the Capital Stock & Foreign Franchise Tax are required to file the PA- 20S/PA-65, S Corporation/Partnership Information return prior to selling a REAP credit. Every domestic or foreign PA S-corporation (72 P.S. § 7330.1), partnership (72 P.S § 7335(c)), or entity formed as a limited liability company that is classified as a partnership or S corporation for federal income tax purposes, must file the PA-20S/PA-65 Information Return.

G. Sale/Assignment Information

REAP tax credits may be sold or transferred to another PA income taxpayer. To sell or transfer this credit, an awardee must apply to the Commission to sell/assign, in whole or in part, unused REAP tax credits to a buyer/assignee. To be eligible to sell/assign a REAP tax credit, the REAP credit recipient must:

1. Use the REAP credit in the effective year of the credit against the entire PA income tax liability. If the REAP credit recipient owes no income tax for that year, this requirement is waived.
2. Wait one calendar year from the effective date of the REAP tax credit.

Before an application to sell or assign tax credits will be approved, the Department of Revenue must find that the seller has filed all required state tax reports and returns for all applicable tax years and paid any balance of state tax due as determined by the Department of Revenue.

The assignee or purchaser of tax credits shall immediately claim the credits in the taxable year in which the purchase or assignment is made. The purchaser/assignee may not pass-through, resell, or reassign REAP tax credits. The purchaser/assignee may not carry forward any remaining balance of the REAP tax credit.

Individuals who have been awarded REAP credits may directly arrange the sale/assignment of REAP credits to any eligible PA taxpayer. In addition, a list of private brokers who can assist with the sale of tax credits is available by contacting the State Conservation Commission.

Due to privacy concerns, requests for copies of the REAP tax credit certificate must come from the recipient of the credit.

The **REAP Tax Credit Sale/Assignment Application** packet is available on the REAP webpage or by contacting the Commission. Please refer to the packet for additional details regarding the sale of REAP tax credits.

For all issues not specifically addressed by these guidelines, please refer to the provisions of Act 13 of 2019, 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.

Attachment 1

REAP Best Management Practices (BMPs)

The following is a list of the most-commonly used REAP-eligible BMPs. *Please contact the SCC if you have questions regarding a specific BMP; or a water-quality BMP that is not listed below.*

Planning BMPs

Agricultural Erosion & Sedimentation Plan (acres)

<i>REAP Lifespan:</i>	3 years
<i>Tax Credit Rate:</i>	75%
<i>REAP Conditions:</i>	The plan must meet the requirements of Chapter 102.4 of the PA Clean Streams Law.
<i>Certification Requirements:</i>	The plan shall be written by a person trained and experienced in the writing of Ag E&S Plans; and in the pollution control methods and techniques applicable to Chapter 104.4.

Conservation Plan (acres)

<i>REAP Lifespan:</i>	3 years
<i>Tax Credit Rate:</i>	75%
<i>REAP Conditions:</i>	The plan must meet the requirements of Chapter 102.4 of the PA Clean Streams Law.
<i>Certification Requirements:</i>	The plan must be written by a NRCS-certified conservation planner.

Manure Management Plan (acres)

<i>REAP Lifespan:</i>	3 years
<i>Tax Credit Rate:</i>	75%
<i>Additional Information:</i>	DEP Land Application of Manure – Manure Management Plan Guidance
<i>REAP Conditions:</i>	The plan must meet the standards of Chapter 91 of the PA Clean Streams Law.
<i>Certification Requirements:</i>	The plan shall be written by a person trained and experienced in the writing of a MMP; and in the pollution control methods and techniques applicable to Chapter 91.

Nutrient Management Plan (acres)

<i>REAP Lifespan:</i>	3 years
<i>Tax Credit Rate:</i>	75%
<i>REAP Conditions:</i>	The plan must meet Act 38 Standards.
<i>Certification Requirements:</i>	The plan must be written by an Act 38-certified specialist.

Variable Rate Nutrient Application Plan, Soil Health tests (acres)

<i>REAP Lifespan:</i>	3 years
<i>Tax Credit Rate</i>	75%; 90% when applicant is in an ag-impaired TMDL watershed
<i>Additional Information:</i>	Soil Health tests are eligible, e.g. Cornell, Haney, and Solvita. Variable rate nutrient application plans are eligible, e.g. precision grid soil sampling, data inputs for map-based and sensor-based site-specific variable rate application of nutrients

Equipment BMPs

Composting Equipment

<i>REAP Lifespan:</i>	New Equipment - 7 years, Used Equipment - 3 years
<i>Tax Credit Rate:</i>	50%; REAP-eligible cost is capped at \$100,000
<i>Additional Information:</i>	Screeners, turning equipment, rotary drums, etc. as approved by the Commission
<i>REAP Conditions:</i>	Composting must be included in the operation's Nutrient/Manure Management Plan.

Cover Crop Equipment

<i>REAP Lifespan:</i>	New Equipment - 7 years, Used Equipment - 3 years
<i>Tax Credit Rate:</i>	50%; 90% for Cover Crop Rollers in an ag-impaired TMDL watershed
<i>Additional Information:</i>	Refer to Attachment 2 . Equipment used to enhance the use of cover crops on an ag operation; e.g., cover crop roller/crimpers, drones, etc.
<i>REAP Conditions:</i>	The equipment's primary use must be the establishment and management of cover crops.

Manure Injection Equipment – Low Disturbance

REAP Lifespan: New Equipment - 7 years, Used Equipment - 3 years
Tax Credit Rate: 50%
Additional Information: Refer to [Attachment 2](#)
REAP Conditions: Equipment must be capable of shallow injection of manure and must be a contiguous part of a manure injection system. Equipment must be utilized on farm ground operated by the applicant.
Certification Requirements: Requires a qualified farm equipment dealer Certification form

No-Till Planting Equipment – Planter or Drill

REAP Lifespan: New Equipment - 7 years, Used Equipment - 3 years
Tax Credit Rate: 50%; REAP-eligible cost capped at \$300,000 per planter/drill
Additional Information: Refer to [Attachment 2](#)
Certification Requirements: Requires a qualified farm equipment dealer Certification form

Precision Nutrient Application Equipment

REAP Lifespan: 3 years
Tax Credit Rate: 50%; REAP-eligible cost capped at \$70,000 per purchase
Additional Information: Refer to [Attachment 2](#)
REAP Conditions: Nutrient application equipment components that enable automatic variable rate application. Autosteer is not eligible for REAP tax credits.
Certification Requirements: Requires a qualified farm equipment dealer Certification form

Equipment Performance Upgrade Kits

REAP Lifespan: 3 years
Tax Credit Rate: 50%; REAP-eligible cost capped at \$70,000 per purchase
Additional Information: Refer to [Attachment 2](#)
REAP Conditions: Upgrade kits must include precision nutrient placement capabilities
Certification Requirements: Requires a qualified farm equipment dealer Certification form

All Other BMPs**Access Road (ft)**

NRCS Practice Code: 560
REAP Lifespan: 7 years
Tax Credit Rate: 50%
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 REAP-eligible BMPs. REAP tax credits will not be authorized for any portion exceeding 14 feet in width or 200 feet in length.
Certification Requirements: Must meet the standards and specifications of the NRCS Field Office Technical Guide; certified by an individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

Animal Mortality Facility (no.)

NRCS Practice Code: 316
REAP Lifespan: 7 years
Tax Credit Rate: 50%; REAP-eligible costs may be reduced by 50% for new animal operations (built within 1 year of the new animal facility).
Additional Information: Applicants must include the REAP Storage Facility & Animal Heavy Use Area Protection Worksheet (p11 of the REAP Application).
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: Must meet the standards and specifications of the NRCS Field Office Technical Guide; certified by an individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

Animal Trails and Walkways (sq ft)

NRCS Practice Code: 575
REAP Lifespan: 7 years
Tax Credit Rate: 75%; **90% - with livestock exclusion from streams in an ag-impaired TMDL watershed**
REAP Conditions: Eligible in conjunction with Prescribed Grazing (528) only. REAP tax credit not authorized for any portion exceeding 12 feet in width.

Certification Requirements: Must meet the standards and specifications of the NRCS Field Office Technical Guide; certified by an individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

Composting Facility (sq ft)

NRCS Practice Code: 317

REAP Lifespan: 7 years

Tax Credit Rate: 50%

Additional Information: Applicants must include the REAP Storage Facility & Animal Heavy Use Area Protection Worksheet (p11 of the REAP Application).

REAP Conditions: The composting facility must be part of an up-to-date Manure/Nutrient Management Plan. Spreading of the composted material must be done in accordance with an up-to-date Manure/Nutrient Management Plan. The composting operation must meet all PA-DEP criteria for composting. Production of mushroom compost does not apply. For composting of animal mortalities, use **Animal Mortality Facility** guidelines.

Certification Requirements: Must meet the standards and specifications of the NRCS Field Office Technical Guide; certified by an individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

Cover Crop (ac)

NRCS Practice Code: 340

REAP Lifespan: Annual (FY)

Tax Credit Rate: 50%; 90% for multi-species Cover Crop in an ag-impaired TMDL watershed

Additional Information: Refer to Attachment 3.

REAP Conditions: Sponsored applicants are limited to applying for 1 year of cover crop planting.

Certification Requirements: Subject to random spot check by SCC staff; Applicants must complete Cover Crop Worksheet (p13 of the REAP Application).

Critical Area Planting (ac)

NRCS Practice Code: 342

REAP Lifespan: 7 years

Tax Credit Rate: 50%; 75% ACA treatment

Certification Requirements: Must meet the standards and specifications of the NRCS Field Office Technical Guide; certified by an individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

Diversion (ft)

NRCS Practice Code: 362

REAP Lifespan: 7 years

Tax Credit Rate: 50%; 75% ACA treatment

Certification Requirements: Must meet the standards and specifications of the NRCS Field Office Technical Guide; certified by an individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

Fence (ft) (see below for stream-bank fencing)

NRCS Practice Code: 382

REAP Lifespan: 7 years

Tax Credit Rate: 50%;

Additional Information: Fence that is part of an ACA-related BMP or is Waste Storage safety fence should be submitted as part of those BMPs.

REAP Conditions: Used in conjunction with Prescribed Grazing (528) Plan only. REAP tax credits will be authorized for establishing permanent fence; utilizing new materials – unless otherwise justified by Prescribed Grazing. Fencing 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. Fence surrounding equine riding rinks is not eligible for REAP tax credits.

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

Fence - Streambank (ft)

NRCS Practice Code: 382

Lifespan: 7 years

Reimbursement Rate: 50%; 75% - in conjunction with 35+ ft buffer; 90% - in conjunction with 50+ ft buffer from streams in an ag-impaired TMDL watershed; REAP-eligible costs capped at \$5.00/ft

REAP Conditions: REAP tax credits will be authorized for establishing permanent fence used for excluding animals from stream areas; in conjunction with Prescribed Grazing (528) Plan only. Utilizing new materials. REAP tax credits not authorized for removal and/or upgrade of existing fence.

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

Grassed Waterway (sq ft)

NRCS Practice Code: 412

REAP Lifespan: 7 years

Tax Credit Rate: 50%;

Certification Requirements: Must meet the standards and specifications of the NRCS Field Office Technical Guide; certified by an individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

Heavy Use Area Protection (sq ft)

NRCS Practice Code: 561

REAP Lifespan: 7 years

Tax Credit Rate: 50%; 75% - ACA treatment

Additional Information: Applicants must include the REAP Storage Facility & Animal Heavy Use Area Protection Worksheet (p11 of the REAP Application).

REAP Conditions: Animal feed/silage storage areas do not apply. Projects involving an operation expansion of greater than 25% are subject to a reduction in eligible costs of 50%.

Certification Requirements: Must meet the standards and specifications of the NRCS Field Office Technical Guide; certified by an individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

Lined Waterway or Outlet (sq ft)

NRCS Practice Code: 468

REAP Lifespan: 7 years

Tax Credit Rate: 50%;

REAP Conditions: Used where vegetation alone will not provide adequate stabilization.

Certification Requirements: Must meet the standards and specifications of the NRCS Field Office Technical Guide; certified by an individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

Manure Separation Equipment (no.)

REAP Lifespan: 7 years

Tax Credit Rate: 50%

REAP Conditions: Manure separation must be included in the operation’s Nutrient/Manure Management Plan. Projects involving an operation expansion of greater than 25% are subject to a reduction in eligible costs of 50%.

Certification Requirements: Must meet the standards and specifications of the NRCS Field Office Technical Guide; certified by an individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

Manure Separation Facility (no.)

Practice Code: 632

Lifespan: 7 years

Tax Credit Rate: 50%

Additional Information: Applicants must include the REAP Storage Facility & Animal Heavy Use Area Protection Worksheet (p11 of the REAP Application).

REAP Conditions: Manure separation must be included in the operation’s Nutrient/Manure Management Plan. Projects involving an operation expansion of greater than 25% are subject to a reduction in eligible costs of 50%.

Certification Requirements: Must meet the standards and specifications of the NRCS Field Office Technical Guide; certified by an individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

Pipeline (ft)

NRCS Practice Code: 516

REAP Lifespan: 7 years

Tax Credit Rate: 50%
REAP Conditions: Eligible as a component of livestock watering systems in conjunction with Prescribed Grazing (528) only. Pipeline to a new barn, domestic water supply, or irrigation is not eligible.
Certification Requirements: Any Conservation District technician, NRCS technician, or private sector Technical Service Provider with appropriate training and experience in the BMP planning, design and installation applicable to the size and scope of the BMP being certified.

Poultry/Livestock Housing Vegetative Buffers (ft)

NRCS Practice Code: 380 (Windbreak/Shelterbelt Establishment)
REAP Lifespan: 7 years
Tax Credit Rate: 50%
Additional Information: Plantings must conform to USDA/NRCS Windbreak/Shelterbelt Establishment (380)-Technical Note No. 1, SCC Odor Management BMP Guide
REAP Conditions: Establishment costs only. Plantings must be close to livestock housing and exhaust fans.
Certification Requirements: Must meet the standards and specifications of the NRCS Field Office Technical Guide; certified by an individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

Pumping Plant for Wastewater Control (no.)

NRCS Practice Code: 533
REAP Lifespan: 7 years
Tax Credit Rate: 50%
Certification Requirements: Must meet the standards and specifications of the NRCS Field Office Technical Guide; certified by an individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

Riparian Forest Buffer (ft)

NRCS Practice Code: 391
REAP Lifespan: 7 years
Tax Credit Rate: 50% rate when used in conjunction with the minimum width of the practice (35 feet); 75% in conjunction with 50+ foot width; **90% for 50+ foot width in an ag-impaired TMDL watershed.**
Additional Information: [NRCS Practice Guide for Riparian Forest Buffers](#), [PA DEP Riparian Forest Buffer Guidance](#)
REAP Conditions: Riparian buffer establishment only (see below). This practice is available to agricultural and non-agricultural operations.
Certification Requirements: Any Conservation District technician, NRCS technician, or private sector Technical Service Provider, who has appropriate training and experience in the BMP planning, design and installation methods applicable to the size and scope of the BMP being certified.

Riparian Forest Buffer Maintenance (ft)

NRCS Practice Code: 391
REAP Lifespan: annual (FY)
Tax Credit Rate: 50% rate when used in conjunction with the minimum width of the practice (35 feet); 75% when used with 50 foot or greater width; **90% for 50+ foot width in an ag-impaired TMDL watershed.**
Additional Information: [NRCS Practice Guide for Riparian Forest Buffers](#), [DEP Riparian Forest Buffer Guidance](#)
REAP Conditions: Maintenance activities performed to ensure the survival and growth of riparian buffer plantings, in accordance with a long-term buffer operation and maintenance plan, are eligible (e.g: mowing, herbicide application, vegetation removal, control of noxious weeds, protections from competing plants/animals. This practice is available to agricultural and non-agricultural operations.
Certification Requirements: Any Conservation District technician, NRCS technician, or private sector Technical Service Provider, who has appropriate training and experience in the BMP planning, design and installation methods applicable to the size and scope of the BMP being certified.

Riparian Herbaceous Cover (ac)

NRCS Practice Code: 390
REAP Lifespan: 7 years
Tax Credit Rate: 50%
REAP Conditions: 35+ buffer establishment only. This practice is available to agricultural and non-agricultural operations. Grazing of the buffer is not permitted.
Certification Requirements: Any Conservation District technician, NRCS technician, or private sector Technical Service Provider, who has appropriate training and experience in the BMP planning, design and installation methods applicable to the size and scope of the BMP being certified.

Roof Runoff Structure (ft)

NRCS Practice Code: 558
REAP Lifespan: 7 years
Tax Credit Rate: 50%; 75% - ACA treatment
REAP Conditions: This practice includes roof gutters, downspouts and outlets. Practice must include establishment of a stable outlet (see Underground Outlet). Repairs to a roof in preparation for this practice are not eligible for REAP tax credits.
Certification Requirements: Must meet the standards and specifications of the NRCS Field Office Technical Guide; certified by an individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

Roofs and Covers (sq ft)

NRCS Practice Code: 367
REAP Lifespan: 7 years
Tax Credit Rate: 50%; 75% - ACA treatment
Additional Information: Applicants must include the REAP Storage Facility & Animal Heavy Use Area Protection Worksheet (p11 of the REAP Application).
REAP Conditions: Practice applies to construction of roofing over Waste Storage Facility (313) and/or Heavy Use Area Protection (561). SCC staff site visit may be required. Projects involving an operation expansion of greater than 25% are subject to a reduction in eligible costs of 50%. Roofs over permanent animal housing (barns) are not eligible for REAP credits.
Certification Requirements: Must meet the standards and specifications of the NRCS Field Office Technical Guide; certified by an individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

Silage Leachate Management (no.)

Practice Code:
REAP Lifespan: 7 years
Tax Credit Rate: 50%
REAP Conditions: Practice applies to collection system for pollution runoff only
Certification Requirements: Must meet the standards and specifications of the NRCS Field Office Technical Guide; certified by an individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

Silvopasture (ac)

REAP Lifespan: 7 years
Tax Credit Rate: 50%
Additional Information: refer to: contact SCC for more information.
REAP Conditions: Practice applies to non-riparian areas only, in conjunction with rotational grazing systems (528). Establishment of new trees and other elements of the silvopasture system are eligible. No part of the silvopasture project may involve removal of existing trees.
Certification Requirements: Any Conservation District technician, NRCS technician, or private sector Technical Service Provider, who has appropriate training and experience in the BMP planning, design and installation methods applicable to the size and scope of the BMP being certified.

Sinkhole and Sinkhole Area Treatment (no.)

Practice Code: 527
Lifespan: 7 years
Tax Credit Rate: 50%
Certification Requirements: Must meet the standards and specifications of the NRCS Field Office Technical Guide; certified by an individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

Spring Development (no.)

NRCS Practice Code: 574
REAP Lifespan: 7 years
Tax Credit Rate: 50%; **90% - with animal exclusion from streams in an ag-impaired TMDL watershed**
REAP Conditions: Eligible in conjunction with Prescribed Grazing (528) only. Collection lines capped at 1,200 feet. For collection systems greater than 1,200 feet, SCC staff approval is required.
Certification Requirements: Any Conservation District technician, NRCS technician, or private sector Technical Service Provider, who has appropriate training and experience in the BMP planning, design and installation methods applicable to the size and scope of the BMP being certified.

Stream Crossing (no.)

<i>NRCS Practice Code:</i>	578
<i>REAP Lifespan:</i>	7 years
<i>Tax Credit Rate:</i>	50%; 90% - in conjunction with Prescribed Grazing and with animal exclusion from streams in an ag-impaired TMDL watershed
<i>REAP Conditions:</i>	Animal and agricultural equipment crossings are eligible. Culvert crossings are not eligible. REAP tax credits not authorized for any portion exceeding 12 feet in width.
<i>Certification Requirements:</i>	Must meet the standards and specifications of the NRCS Field Office Technical Guide; certified by an individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

Streambank and Shoreline Protection (ft)

<i>NRCS Practice Code:</i>	580
<i>REAP Lifespan:</i>	7 years
<i>Tax Credit Rate:</i>	50%
<i>Additional Information:</i>	Applicant is responsible for all local, state and federal permits and approvals that may be required. This practice is available to agricultural and non-agricultural operations.
<i>REAP Conditions:</i>	Used to stabilize stream banks eroded due to excessive water flow or livestock activity.
<i>Certification Requirements:</i>	Must meet the standards and specifications of the NRCS Field Office Technical Guide; certified by an individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

Structure for Water Control (no.)

<i>NRCS Practice Code:</i>	587
<i>REAP Lifespan:</i>	7 years
<i>Tax Credit Rate:</i>	50%;
<i>REAP Conditions:</i>	REAP tax credits not authorized for the installation of structures designed to impound water for irrigation, recreation, household water; or to create ponds.
<i>Certification Requirements:</i>	Must meet the standards and specifications of the NRCS Field Office Technical Guide; certified by an individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

Subsurface Drain (ft)

<i>NRCS Practice Code:</i>	606
<i>REAP Lifespan:</i>	7 years
<i>Tax Credit Rate:</i>	50%
<i>REAP Conditions:</i>	Eligible as a companion practice for other REAP-eligible BMPs (except for Cover Crop).
<i>Certification Requirements:</i>	Any Conservation District technician, NRCS technician, or private sector Technical Service Provider, who has appropriate training and experience in the BMP planning, design and installation methods applicable to the size and scope of the BMP being certified.

Terrace (ft)

<i>NRCS Practice Code:</i>	600
<i>REAP Lifespan:</i>	7 years
<i>Tax Credit Rate:</i>	50%
<i>Certification Requirements:</i>	Must meet the standards and specifications of the NRCS Field Office Technical Guide; certified by an individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

Underground Outlet (ft)

<i>NRCS Practice Code:</i>	620
<i>REAP Lifespan:</i>	7 years
<i>Tax Credit Rate:</i>	50%; 75% - ACA treatment
<i>REAP Conditions:</i>	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. Pipes greater than 12" in diameter may require SCC site visit.
<i>Certification Requirements:</i>	Must meet the standards and specifications of the NRCS Field Office Technical Guide; certified by an individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

Vegetated Treatment Area (ac)

<i>Practice Code:</i>	635
<i>Lifespan:</i>	7 years
<i>Tax Credit Rate:</i>	50%

Certification Requirements: Must meet the standards and specifications of the NRCS Field Office Technical Guide; certified by an individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

Waste Storage Facility (cu ft)

NRCS Practice Code: 313

REAP Lifespan: 7 years

Tax Credit Rate: 50%

Additional Information: Applicants must include the REAP Storage Facility & Animal Heavy Use Area Protection Worksheet (p11 of the REAP Application). SCC staff site visit may be required.

REAP Conditions: Projects involving an operation expansion of greater than 25% are subject to a reduction in eligible costs of 50%. **Under-barn storages are not eligible for REAP tax credits unless certified by NRCS to be necessary for the treatment of an existing resource concern.** For storage of food waste, please refer to **Compost Facility** guidelines.

Certification Requirements: Must meet the standards and specifications of the NRCS Field Office Technical Guide; certified by an individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

Waste Transfer (ft or no.)

NRCS Practice Code: 634

REAP Lifespan: 7 years

Tax Credit Rate: 50%

REAP Conditions: Eligible in conjunction with Waste Storage Facility (e.g. reception pits). REAP tax credits are not authorized for: Portable pumps, pumping equipment, or other equipment for agitating, removing, distributing, or applying animal waste on farm ground.

Certification Requirements: Must meet the standards and specifications of the NRCS Field Office Technical Guide; certified by an individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

Water Well (no.)

NRCS Practice Code: 642

REAP Lifespan: 7 years

Tax Credit Rate: 50%

REAP Conditions: Eligible in conjunction with Prescribed Grazing (528) only. REAP tax credits not authorized for providing water for the farm headquarters or domestic use.

Certification Requirements: Must meet the standards and specifications of the NRCS Field Office Technical Guide; certified by an individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

Watering Facility (no.)

Practice Code: 614

REAP Lifespan: 7 years

Tax Credit Rate: 50%; **90% - in conjunction with animal exclusion from streams in an ag-impaired TMDL watershed**

REAP Conditions: Eligible in conjunction with Prescribed Grazing (528) only. REAP tax credits authorized for permanently located facilities within grazing paddocks or pastures.

Certification Requirements: Must meet the standards and specifications of the NRCS Field Office Technical Guide; certified by an individual with appropriate NRCS Job Approval Authority or Registered Professional Engineer.

Attachment 2

REAP Equipment Guidelines

Applies to: No-Till Planting Equipment, Precision Nutrient Application Equipment components, Manure Injection Equipment, Cover Crop Equipment, Precision Upgrade Kits.

For the FY 2024 REAP program, delivery of all equipment must take place by **June 30, 2025**.

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.

Owners/operators listed on p1 of the REAP application must meet the definition of an Agricultural Operation found in Attachment 5 of the REAP Guidelines. The equipment must be utilized on farm ground that is operated by the REAP applicant.

The Commission will not approve applications for no-till planting equipment manufactured more than 20 years prior to the submission of the application. Equipment that has been refurbished and upgraded by a qualified farm equipment dealership is exempt. The Commission will not approve applications for precision nutrient application equipment manufactured more than 10 years prior to the submission of the application. Equipment that has been refurbished and upgraded by a qualified farm equipment dealership is exempt.

Please note: REAP-eligible costs for eligible equipment will be capped at \$50,000 - per piece of equipment - for applicants whose primary residence and farm operation is outside Pennsylvania.

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

The SCC reserves the right to deny an application that does not meet the intent of the standards set forth for the equipment by the SCC.

No-Till Planting Equipment:

Intent: 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.

- A completed REAP No-Till Equipment Purchase Certification form (p8 of the REAP application) must be submitted by the applicant. The equipment certification must be completed by a qualified farm equipment dealer authorized by the Commission.
- Used equipment must be in good-working order and all wear items must meet or exceed manufacturer's guidelines for wear replacement parts as certified by a qualified equipment dealer.
- New equipment shall have a REAP lifespan of 7 years. Used equipment's REAP lifespan is 3 years.
- The cost of operator-installed parts, repair, or refurbishing of existing equipment is not eligible for REAP tax credits.
- REAP-Eligible costs are capped at \$300,000 per planter/drill.

Precision Nutrient Application Equipment:

Intent: The equipment must be capable of applying nutrients at variable rates across a crop field according to automatic data input from computerized maps or optical sensors.

- A completed REAP Precision Application Equipment Certification (p9 of the REAP Application) must be submitted by the applicant. The equipment certification must be completed by a qualified farm equipment dealer authorized by the Commission.
- Only the components necessary to apply nutrients at variable rates are eligible for REAP tax credits. Examples include: variable rate drives, section control, upgraded nozzles, control units.
- Components to upgrade existing application equipment to variable rate capabilities are eligible.
- REAP-eligible costs will be capped at \$70,000 per equipment purchase.

- Components on manure spreaders and spinner-type granular fertilizer spreaders are not eligible for REAP tax credits.
- Costs of subscription services are not eligible for REAP tax credits.
- Precision nutrient application equipment shall have a REAP lifespan of 3 years.
- Used equipment must be in good-working order. All wear items must meet/exceed manufacturer's guidelines for wear replacement parts as certified by a qualified equipment dealer.
- The cost of operator-installed parts, repair, or refurbishing of existing equipment is not eligible for REAP tax credits.

Low-Disturbance Manure Injection Equipment:

Intent: The equipment must be capable of injecting manure effectively at a shallow depth (approx. 4" maximum) while creating minimal surface disturbance.

- A completed REAP Low Disturbance Manure Injection Equipment Certification form (p10 of the REAP Application) must be submitted by the applicant. The equipment certification must be completed by a qualified farm equipment dealer authorized by the Commission.
- The equipment must be used in a manner consistent with the provisions of a current Conservation Plan/Ag E&S Plan and a current Nutrient Management Plan/Manure Management Plan.
- The purchase of equipment must include field setup by an equipment dealer.
- New equipment shall have a REAP lifespan of 7 years. Used equipment's REAP lifespan is 3 years.
- Used equipment must be in good-working order and all wear items must meet or exceed the manufacturer's guidelines for wear replacement parts as certified by a qualified equipment dealer.
- The costs of operator-installed parts, or repair of existing equipment is ineligible for REAP tax credits.
- Manure transport tanks, drag line equipment, and pumping equipment are not eligible.

Cover Crop Equipment:

Intent: Eligible equipment's primary use is for the establishment and management of cover crops.

- Cover crop rollers are eligible for REAP tax credits. Rollers must be designed with chevron-shaped crimper blades to be eligible for REAP tax credits.
- Cover crop spinners attached to harvesting equipment are eligible for REAP tax credits.
- Drones used for establishing cover crops are eligible. REAP-eligible costs are capped at \$20,000.
- For drones, a completed REAP Cover Crop Equipment Certification form (p12 of the REAP Application) must be submitted by the applicant. The equipment certification must be completed by a qualified drone dealer authorized by the Commission.
 1. The drone must meet intent of cover crop drones set forth by the Commission for cover crop equipment.
 2. The applicant must certify that the cover crops on the ag operation will be established by the drone – subject to spot check by the Commission.
 3. Drones used strictly for spraying are not eligible for REAP tax credits.
- New equipment shall have a REAP lifespan of 7 years. Used equipment's REAP lifespan is 3 years.
- Equipment utilizing new technology or new methodology may be eligible for REAP credits on a case-by-case basis, as determined by the Commission.

Equipment Precision Upgrade Kits:

Intent: Eligible upgrade kits for no-till planting equipment will improve the no-till planting capabilities of no-till equipment and the precision nutrient placement capabilities of the equipment. Eligible upgrade

kits for application equipment will improve the automatic variable rate nutrient placement capabilities of the equipment.

- A completed REAP No-Till Equipment Purchase Certification form (p8 of the REAP application) must be submitted by the applicant. The equipment must be certified that it meets the above criteria by a qualified farm equipment dealer authorized by the Commission.
- Upgrade kits shall have a REAP lifespan of 3 years.
- All installation work must be completed and certified by a qualified farm equipment dealer.
- REAP-eligible costs are capped at \$70,000 per piece of equipment.
- Upgrade kits for no-till equipment must include precision nutrient placement capabilities.
- Upgrade kits for nutrient application equipment must include automatic variable rate nutrient application capabilities.
- Equipment utilizing new technology or new methodology may be eligible for REAP credits on a case-by-case basis, as determined by the Commission.

REAP Equipment Trade-In Policy

In some circumstances, an applicant may wish to sell or trade in a piece of equipment prior to the expiration of the required lifespan under the REAP program (7 years for new equipment, 3 years for used equipment). The equipment may be traded for REAP-eligible equipment under the following conditions:

- The applicant must immediately make a request to the Commission.
- The applicant is trading the original equipment for another piece of equipment which will allow the farmer to utilize the equipment on a comparable or larger number of acres.
- The respective REAP Equipment Certification Form must be submitted for the new piece of equipment.
- The applicant will be eligible for a new REAP tax credit based on the difference between the purchase price of the original equipment and the purchase price of the new equipment. The applicant must submit a new REAP application for these costs.
- If the applicant receives new REAP tax credits for the difference between the cost of the original equipment and the cost of the new equipment, the REAP lifespan requirement resets with the new piece of equipment.
- If the applicant does not wish to apply for additional REAP tax credits, the remaining years of the REAP lifespan for the original equipment will transfer to the new equipment. The new equipment must be used until the REAP lifespan requirement of the original equipment has been met.
- If the recipient of a REAP tax credit sells or trades equipment prior to the expiration of its REAP lifespan without replacing it with a comparable piece of REAP-eligible equipment, the recipient may be required to repay a prorated portion of the tax credit.
- If the recipient of a REAP tax credit sells or trades equipment prior to the expiration of its REAP lifespan without notifying the State Conservation Commission, 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 3

REAP Cover Crop Guidelines

**See p13 of the REAP Application for the REAP Cover Crop Worksheet*

Cover Crop

Reportable Units: Ac.

Lifespan: Annual (FY)

Tax Credit Rate: 50%; **90% for multi-species cover crop in an ag-impaired TMDL watershed**

REAP Conditions as follows:

- Applicants may apply for up to 3 years of proposed cover crop plantings on a single REAP application. Invoices must be submitted at the end of each year's cover crop establishment. Sponsored applicants are limited to 1 year of cover crops. Implementation costs are eligible only within the fiscal year (July 1 – June 30) in which they are incurred.
- **Multi-species cover crop definition:** A seed mix that consists of a grass/small grain species plus a minimum of 2 broadleaf species; in which the cumulative seeding rate of the grass/small grain species does not exceed **1.5 bu/ac**; and the mix includes at least **5lbs/ac** of the broadleaf species.
- Applicants who have received 3 or more years of REAP tax credits for a single-species cover crop are eligible for multi-species cover crop only.
- Completion of the **REAP Cover Crop Worksheet** (p13 of the REAP Application) is required.
- Total REAP-Eligible costs are capped at \$50/acre for single-species plantings (excepting establishment via drone) and \$80/acre for multi-species plantings.
 - a. REAP-eligible costs for drilling the seed are capped at \$25/ac. REAP-eligible costs for broadcasting are capped at \$18/ac. REAP-eligible costs for drone-established cover crops are capped at \$35/ac.
 - b. REAP-eligible costs for seed grown by the REAP applicant is capped at \$12/bu.
- All seed used for cover crops must be tested and properly labeled in accordance with the PA Seed Law and regulations. Seed grown by the applicant must be tested for purity, germination, and absence of noxious weeds by a recognized seed laboratory prior to seeding.
- Spreading of manure on the cover crop must be consistent with a current Nutrient Management Plan or Manure Management Plan.
- Crops harvested for grain are not eligible for REAP tax credits. Fertilizer, lime, tillage, and herbicide costs are not eligible for REAP tax credits.

The Commission reserves the right to prioritize multi-species cover crop applications over single-species plantings; and to prioritize new applicants over applicants who have previously received REAP tax credits for cover crop plantings.

The Commission reserves the right to deny applications for multi-species cover crop that do not meet the Commission's intent set forth in the REAP Guidelines.

Verification Signatures

Verification Signatures for REAP Eligibility

Applies to: REAP Application Section 2 (pp2-4)

The following individuals are qualified to provide the necessary REAP-eligibility verification signatures:

- Conservation District technicians with appropriate training and experience in PA Clean Streams Law compliance.
- USDA/NRCS technicians who are certified in conservation planning with appropriate training and experience in PA Clean Streams Law compliance.
- Act 38-certified Nutrient Management Plan writers

The individual signing the Verification Page in Section 2 of the REAP application is verifying that the applicant's answers to questions on pp2-4 of the REAP application are accurate and true.

For example, if the applicant indicates that plans exist on all acres operated and are fully implemented, the qualified verifier can sign the REAP application if the verifier agrees that the answers are accurate. If the applicant indicates that plans do not exist or are not fully implemented, the qualified verifier can sign the REAP application if the verifier agrees that the answers are accurate; or if the plans in question are not needed by the applicant. **If the qualified verifier does not agree that an applicant's answers are accurate or truthful, the qualified verifier should not sign on that respective section of the REAP application.**

IMPORTANT: Please note that **BOTH** Section 2A and Section 2B must be verified on the REAP application by a qualified individual, even if there are no animals present on the operation. If an applicant answers "NO" to question B1. of the application, the accuracy of that answer must be verified.

The individual signing the Verification Page must not have a potential conflict of interest with the applicant. The individual shall not verify an application pertaining to their own farming operation, an application for immediate family members (parent, spouse, child, brother, or sister), or a business with which the individual or a member of their immediate family is associated.

Verification signatures provided by qualified staff at the County Conservation District do not require an action of the District Board.

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

Verification Signatures for Equipment Purchases

Applies to: REAP Application pp8-11

For equipment purchases, equipment dealers and others as determined by the Commission (on a case-by-case basis) are qualified under the REAP program to sign the "Dealer Certification" forms in the REAP Application.

The individual signing on the Dealer Certification forms must not have a conflict of interest with the applicant. The individual cannot certify their own equipment, equipment purchased by an immediate family member, or a business with which the individual or a member of immediate family is associated.

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

Definitions

Act 13 of 2019 (Section 1702-E)

AGRICULTURAL EROSION AND SEDIMENTATION CONTROL PLAN - A site-specific plan that:

- (1) meets the requirements of the act of June 22, 1937 (P.L. 1987, No. 394), known as The Clean Streams Law, and 25 Pa. Code Ch. 102 (relating to erosion and sediment control); and
- (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.

BEST MANAGEMENT PRACTICE (BMP) - 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 United States Department of Agriculture Natural Resources Conservation Service 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 - Any of the following subject to the taxes imposed by Article III, IV, VI, VII, VIII, IX or XV:

- (1) A business firm.
- (2) An individual.
- (3) Individuals filing jointly.

EQUINE ACTIVITY - The term includes the following activities:

- (1) The boarding of equines.
- (2) The training of equines.
- (3) The instruction of people in handling, driving or riding equines.
- (4) The use of equines for riding or driving purposes.
- (5) The pasturing of equines.

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 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 pre-settlement streams, floodplains, wetlands and valley bottoms.
- (3) Altered and continues to impair the hydrologic, biologic, aquatic, riparian and water quality functions of pre-settlement and modern environments.

MANURE MANAGEMENT PLAN - A written site-specific plan that:

- (1) outlines practices for the land application of manure and agricultural process wastewaters acceptable to the commission; and
- (2) is developed to meet the requirements of 25 Pa. Code § 91.36(b) (relating to pollution control and prevention at agricultural operations).

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 S corporation as defined in section 301(n.1).

QUALIFIED TAX LIABILITY - The liability for taxes imposed upon an eligible applicant under Article III, IV, VI, VII, VIII, 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 or adopted by the commission.

TECHNICAL SERVICE PROVIDER - An individual, entity or public agency certified by the United States Department of Agriculture Natural Resources 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.

TOTAL MAXIMUM DAILY LOAD or (TMDL) - The sum of individual waste load allocations for point sources, load allocations for nonpoint sources and natural quality and a margin of safety expressed in terms of mass per time, toxicity or other appropriate measures.

USDA-NRCS - The 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 based on the amount of funding it contributes toward eligible farm conservation projects. The business is the direct recipient of the REAP tax credits.

AGRICULTURAL OPERATION: as it relates to the \$250,000/7-yr credit limit.

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.

Entities with similar organizational structures or which utilize substantially common management and production resources will be considered a single AGRICULTURAL OPERATION for purposes of REAP tax credits.

Please note: For REAP purposes, the operator of the agricultural operation receiving REAP tax credits is considered the property owner.