



JUNIATA VALLEY AUDUBON

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12 APRIL 2007

SB-690

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Dear Senators;

State Rep. Jerry Stern (R-Blair) has reintroduced legislation designed to help Pennsylvania farmers meet environmental regulations through an innovative financial assistance plan called the Pennsylvania Resource Enhancement and Protection (REAP) Tax Credit Program. This bill has also been introduced as Senate Bill 690.

This is a vital program that can help Pennsylvania farmers meet the sometimes financially challenging endeavors of implementing proven environmental conservation practices. The REAP program will provide tax credits for private investment in the implementations of a variety of proven and cost-effective best management practices, including improvements to barnyards, pastures and riparian corridors, development and implementation of nutrient management plans, remediation of legacy sediments and other approved practices. REAP will ultimately help farmers use best management practices to manage nutrients appropriately and reduce nutrient and sediment loads in streams.

The credits will be available for personal and corporate income tax, the Capital Stock and Franchise Tax, and the Sales and Use Tax. Qualified applicants will receive a tax credit of 25 percent to 75 percent of the project cost, depending on the practice implemented. Other elements of the program specify that tax credits may be sold to other entities and for business or individual sponsorship of a project installed by a landowner. Tax credits may be carried over for maximum of 15 years. This tax credit is a dollar-for-dollar tax reduction that can be applied to business and individual state taxes. Farmers could use the tax credit to reduce their own tax bill (carrying it over for up to 15 years) or sell it to another taxpayer for cash. REAP would also allow a business to help finance a project on a private farm and, in return, receive the tax credit.

Juniata Valley Audubon strongly supports REAP.

Sincerely,

Stan Kotala, M.D., President

REAP

SUPPORTERS

Here's What REAP Supporters Have to Say:

Juniata Valley Audubon Society

"Juniata Valley Audubon strongly supports REAP because of its innovative approach to restoring habitat for wildlife on agricultural lands by providing monetary incentives to farmers."

—Stan Kotala, President, Juniata Valley Audubon Society

Lancaster Farmland Trust

"In addition to preserving farmland to keep it open and available for agriculture, Lancaster Farmland Trust recognizes that the conservation of Pennsylvania's natural resources is vital for maintaining the agricultural integrity of the region. The REAP legislation will be an extremely valuable alternative for farmers to improve their environmental stewardship while protecting water quality."

—Peter A. Olmsted, Land Preservation Coordinator,
Lancaster Farmland Trust

LandStudies, Inc. (LSI)

"Our best chance for success in restoring the health of the Chesapeake Bay is to encourage private/public partnerships. REAP can only add to Pennsylvania's existing water quality improvement efforts by creating an additional revenue stream from the business sector."

—Mark Gutshall, President, LandStudies, Inc.

Lower Susquehanna Riverkeeper

"Stewards of the Lower Susquehanna, Inc. and the Lower Susquehanna Riverkeeper believe strongly in supporting family farms and believe REAP will remove the financial burden of doing the right thing for all of the users of the waters of the Commonwealth and Chesapeake Bay."

—Michael R Helfrich, Lower Susquehanna RIVERKEEPER®

Muddy Creek Trout Unlimited

"REAP is a key component to improving water quality throughout the Commonwealth. The tax credits make it possible for the farming community to remain profitable and protect our watersheds and our environment. REAP will allow landowners to become better stewards of the land and streams. Good farming practices, with good riparian buffers produce clean water and quality stream environments." — Ronald Heuston, President,
Muddy Creek Trout Unlimited

NativeEnergy

"Our exposure to farms has helped us see, as CBF has, that the best protection for the Bay will be to help farmers stay financially healthy as they improve their environmental management practices."

—George Houget, Director, Mid-Atlantic Operations, NativeEnergy, LLC

Pennsylvania Environmental Council (PEC)

"REAP is an innovative funding program that addresses a major water quality challenge in the Commonwealth: non-point source pollution. This tool will help us to improve water quality throughout the state while supporting Pennsylvania agriculture."

—Brian Hill, President and Chief Executive Officer,
Pennsylvania Environmental Council

Pennsylvania Farm Bureau

"We believe that REAP has the potential to stimulate vital public/private sector investment in environmental stewardship that will also help preserve production agriculture in Pennsylvania."

—Carl Shaffer, President, Pennsylvania Farm Bureau

Pennsylvania State Grange

"The PA State Grange supports the REAP proposal. Although many of our small farmers do not have large tax liabilities, under this plan they can still benefit by selling any tax credits they generate through conservation practices. We support any proposal that will put more income in the pockets of our farmers."

—Betsy Huber, Pennsylvania State Grange

Pennsylvania League of Conservation Voters (PALCV)

"Pennsylvania's number one industry can also be the environment's number one ally. REAP gives new dollars to farmers who take action to protect our environment. This approach ensures our farms remain profitable and gives us vital allies in our work to protect water quality in the Commonwealth."

—Michael J. Fedor, Executive Director,
Pennsylvania League of Conservation Voters

Project Grass

"Many farmers are willing to implement recommended BMPs but with their severe budget constraints cannot do so. The REAP Program provides the financial incentive for those interested farmers."

—John Hoekstra, Director of Watershed Advocacy,
Green Valleys Association

Red Barn, Inc.

"The proposed REAP legislation combines environmental stewardship with economic common sense. It will be a win-win for the Pennsylvania agricultural industry and the waters of the Commonwealth."

—Peter Hughes, President, Red Barn, Inc.

RetteW

"The REAP Tax Credit Program will provide the impetus for getting much needed and long overdue conservation practices on the ground. It will also enable a stronger foundation upon which to build the nutrient-trading program, resulting in both significant statewide environmental and economic benefits. RETTEW would seek out opportunities to participate in the program were this to be enacted."

—Ron Beam, Vice President and Agriculture Market Director, RETTEW

TeamAg

"The REAP Act is an innovative program that will help farmers finance the installation of Best Management Practices at their farms."

—Jean M Zentz, Vice President, TeamAg, Inc.

Chesapeake Bay Foundation
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www.cbf.org/REAP