

REAP-ing the Benefits of Sponsorship



The farmer plans to install a new manure pit for \$100,000. A bank reduces the loan principle by \$45,000 and receives the \$50,000 tax credit.



A farmer reforests their streambank for \$35,000, earning a \$31,500 state tax credit. A seed dealer provides \$20,000 cash and \$11,500 in seed and receives the \$31,500.



The farmer buys no-till planting equipment for \$150,000. A local retailer applies \$70,000 towards the purchase and receives the \$70,000 tax credit.



"REAP Sponsorship Program allowed us to invest in larger, more impactful environmental projects that benefit the environment and our farm."

-- Brett Reinford, Reinford Farms, Mifflintown



"We want to do whatever we can to help family farms succeed. We are happy to work with farmers to sponsor REAP projects."

-- Stephen K. Miller, Mercer County State Bank



"Our clients feel very good about participating. They are also thankful when we recommend a sponsorship or help them sell credits they may not be able to use to offset their taxes."

-- Kurtis Groff, Simon Lever



REAP

Resource Enhancement and Protection Program



A win-win tax credit program for farmers and sponsoring businesses



REAP is for Farmers

Conservation on the farm is the right thing to do! And it's an investment that can pay off with higher yields, less erosion, and fewer crops lost to weather.

Hundreds of Pennsylvania farmers use the REAP program to make that upfront investment a little easier, but if your tax credit is larger than your tax bill, consider working with a sponsor.

By helping to pay for conservation practices, a sponsor can help turn your tax credit into cash

Interested? REAP program staff can introduce you to potential local sponsors.



Getting Started

REAP sponsorship is a simple concept.
The paperwork is easy. There's support to help!

The three things you need are:

- A **farmer** with an eligible conservation project, such as no-till planting, streambank restoration, manure management, etc. The list of eligible projects is long!
- A **business** that wants to sponsor the project. Sponsors are often banks, equipment dealers, and farm product buyers, but any business that pays PA taxes can participate.
- A financial **agreement** defining the sponsorship payment price and schedule.

For more information, contact your local Conservation District or REAP directly:

-  717-705-4032
-  jsemke@pa.gov
-  <http://agriculture.pa.gov/REAP>

REAP is for Businesses

If your business is looking for a way to support the farm community, the REAP program offers you an opportunity to do that — while improving your bottom line. Farmers looking to complete REAP-approved conservation projects often have tax credits available. You can:

- Pay a fair price for their tax credits
- Include the credits in a lending agreement.
- Count the credits as payment for goods and services.
- Pay for part of the conservation project costs and receive tax credits directly. This keeps capital in the pockets of farmers.



That's up to you! REAP program staff can introduce you to farmers with credits to sell and provide sample agreements to help with the negotiations.

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