

A GUIDE TO THE HISTORIC HOMES REHABILITATION TAX CREDIT PROGRAM

1. CHECK TO MAKE SURE YOU AND YOUR PROJECTS ARE ELIGIBLE

2. SUBMIT PART 1 APPLICATION

3. SUBMIT PART 2 APPLICATION

4. WAIT FOR APPROVAL AND RESERVATION CERTIFICATE

5. BEGIN WORK

6. FINISH WORK WITHIN FIVE YEARS

7. SUBMIT RECEIPTS WITH PART 3 APPLICATION

8. WAIT FOR APPROVAL AND VOUCHER CERTIFICATE

9. SELL VOUCHER TO C-CORPORATION OR ENGAGE TAX CREDIT BROKER

10. C-CORPORATION MAY ISSUE FUNDS FOR VOUCHER

The SHPO office is only accepting applications by email.

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Department of Economic and
Community Development

State Historic Preservation Office

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1

This program is intended to provide a 30% tax credit voucher on eligible rehabilitation expenditures that can be directly attributed to the long-term preservation of historic building fabric.

2

The program has a 4-part application. To begin, eligible historic homeowners apply to the program using a part 1 and part 2 application. These applications ensure that the homeowner meets the requirements.

3

Within 30 days or less, a State Historic Preservation Office (SHPO) Program Manager will review the scope of work, estimates for the work, and representative project photographs in the part 2 application. No work can begin without SHPO approval. Work that has already been completed is ineligible for this program. Projects are evaluated based upon the Program's Standards for Rehabilitation.

4

If the work is approved, the SHPO Program Manager will issue a tax credit reservation based on 30% of the total qualified historic preservation expenditures. The SHPO Program Manager will also include a 10% contingency. The tax credit reservation is the amount of money set aside while the homeowner completes the project. The reservation amount may vary from the final voucher amount.

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5

The homeowner begins the work. All work must be completed within a 5 year period or 60 months from the date the reservation was issued.

6

The homeowner pays for the work in full. The homeowner collects receipts showing the work was paid for in full, takes completed project photographs, and copies any canceled checks. The homeowner submits a part 3 application showing the finished work.

7

Within 30 days or less, a SHPO Program Manager will review the application and calculate the final voucher amount. The final voucher is based upon 30% of the total receipts. By statute and program regulation there is no provision for increasing the amount of a tax credit reservation as a result of increased costs incurred. At the end of the project, the homeowner will earn the lesser of either the tax credit reservation or 30% of the project's final qualified rehabilitation expenditures. The final total from all receipts must meet the minimum \$15,000 requirement.

8

The homeowner completes a part 4 application to trigger the issuance of the tax credit voucher to the contributing taxpayer (a C-Corporation). The voucher can only be redeemed/purchased by a C-Corporation. An owner can find a C-Corporation on their own or engage with a tax credit broker. A C-Corporation is not obligated to purchase the credits. SHPO is not obligated to facilitate the sale of the credits. There is no guarantee that every C-Corporation will purchase the voucher dollar-for-dollar.

CHECK TO SEE IF YOU'RE ELIGIBLE

The historic home must be listed either individually on the National or State Register of Historic Places, or as a contributing resource in a State or National Register of Historic Places District.

The historic home must be owner occupied as the primary residence during the five-year period following the issuance of the tax credit voucher.

The historic home must contain between 1-4 housing units. Mixed use properties are ineligible.

The owner must be a taxpayer filing a state of Connecticut tax return who possesses title to the historic home, or prospective title to an historic home in the form of a purchase agreement or option to purchase, or a nonprofit housing corporation that possesses such title or prospective title.

The historic homeowner must have a minimum of \$15,000 in qualified historic preservation expenditures approved.



STANDARDS FOR REHABILITATION

Projects are most frequently reviewed under these categories, for a complete list of Standards see Program Regulations.

The historic character of a property shall be retained and preserved. The removal or alteration of features and spaces that characterize a property shall be avoided.

Each property shall be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or architectural elements from other buildings, shall not be undertaken.

Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a property shall be preserved.

Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and other visual qualities, and, where possible, materials.

Chemical or physical treatments, such as sandblasting, that can cause damage to materials shall not be used.



ELIGIBLE VS. INELIGIBLE PROJECTS

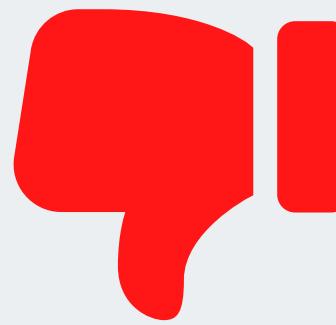


- Restoration rather than renovation
 - Porch
 - Steps (exterior)
 - Doors (exterior)
 - Windows
 - Storm Windows
 - Shutters
 - Chimneys
 - Roof
 - Gutters/ downspouts



- Painting (exterior)
- Carpentry (exterior)
 - Foundation
 - Lightning protection
 - Repointing
 - Abatement of hazardous materials
- Structural repairs and stabilization
- Doors (interior)
 - Staircases
 - Decorative ornamentation, moldings
 - Paneling

- Floors (existing wood floors, historic tiles)
 - Millwork
- Painting (interior)
- Plaster repairs
- Heating, Ventilating, Air Conditioning
 - Plumbing
 - Electrical wiring
 - Fire suppression
 - Basement
 - Wells
 - Septic system
 - Geo-thermal system



- The cost of site improvements, unless to provide building access to persons with disabilities
- Any cost associated with the rehabilitation of an outbuilding unless such building contributes to the historical significance of the historic home
- Any non-construction costs such as architectural fees, legal fees, and financing fees

- Replacement of historic building fabric unless it is in-kind and the feature is beyond repair
- New construction
- Changes to the historic floorplan
 - Sprayfoam insulation
- Cosmetic upgrades
- New appliances or fixtures
 - Blinds, shades, lamps, carpets
- Landscaping, driveways, fences

THE IMPACT

The program was established in 2000.

\$3mil. is set aside each year.

The SHPO office is incredibly grateful to the C-Corporations that choose to participate, as they are not obligated to.

The tax credits have been extremely effective in increasing historic preservation jobs, promoting craftsmanship, and celebrating Connecticut's heritage.

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