

Historic Homes Rehabilitation Tax Credit User Guide

Connecticut State Historic Preservation Office

2024



CT SHPO Historic Homes Rehabilitation Tax Credit 2024

There are many goals of the Historic Homes Rehabilitation Tax Credit Program. Here are just a few:

Preserve the distinctive features, finishes and construction techniques of historic homes

Incentivize restoration and repair over replacement

Foster local labor from skilled craftspeople and others employed in the historic trades

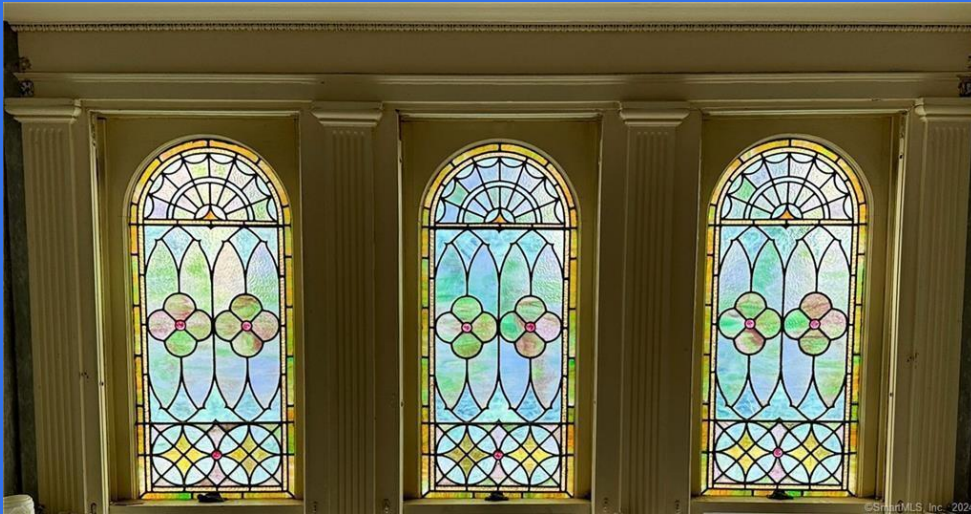
Add to the local economy from materials purchased nearby

Add to the property values of the neighborhood to prevent abandoned and deteriorating buildings in communities

Encourage homeownership

Incentivize making historic buildings functional

Encourage sustainability. "The greenest building is the one already built" meaning new construction and replacement will need new materials and energy that have already been invested in older buildings.



New London



CT SHPO Historic Homes Rehabilitation Tax Credit 2024

The Historic Homes Rehabilitation Tax Credit Program provides a 30% tax credit up to \$30,000 per unit, for historic restoration and rehabilitation of one to four unit historic homes listed on the State or National Register of Historic Places either individually or as a contributing resource to a district.

A minimum historic rehabilitation expenditure of \$15,000 is required.

All work must meet the Standards for Historic Rehabilitation.

Example:

Single family home (1 unit)

Slate roof repair: \$25,000

Masonry repointing: \$10,000

Total of all projects: \$35,000

30% tax credit = \$10,500



New London



Hartford

CT SHPO Historic Homes Rehabilitation Tax Credit 2024

To be eligible to apply, an applicant must meet the following requirements:

- The homeowner must be a state of Connecticut tax payer.
- At least one unit must be the homeowner's primary residence.
- The home must be used as living space. Mixed-use properties are not eligible.
- The home must be listed on the State or National Register of Historic Places either individually, or as a contributing resource to a district.
- The rehabilitation may be undertaken by a non-profit development corporation and transferred to a homeowner, who will reside in the home for a minimum of 5 years.



New London



Hartford

Outbuildings:

Rehabilitation to outbuildings such as barns and garages can be included in an application so long as the outbuilding contributes to the historical significance of the historic home and rehabilitation work is being performed on the main home concurrently.



Coventry



Westport



CT SHPO Historic Homes Rehabilitation Tax Credit 2024

A GIS system has been developed for property owners to check if their building is listed on the State or National Register of Historic Places.

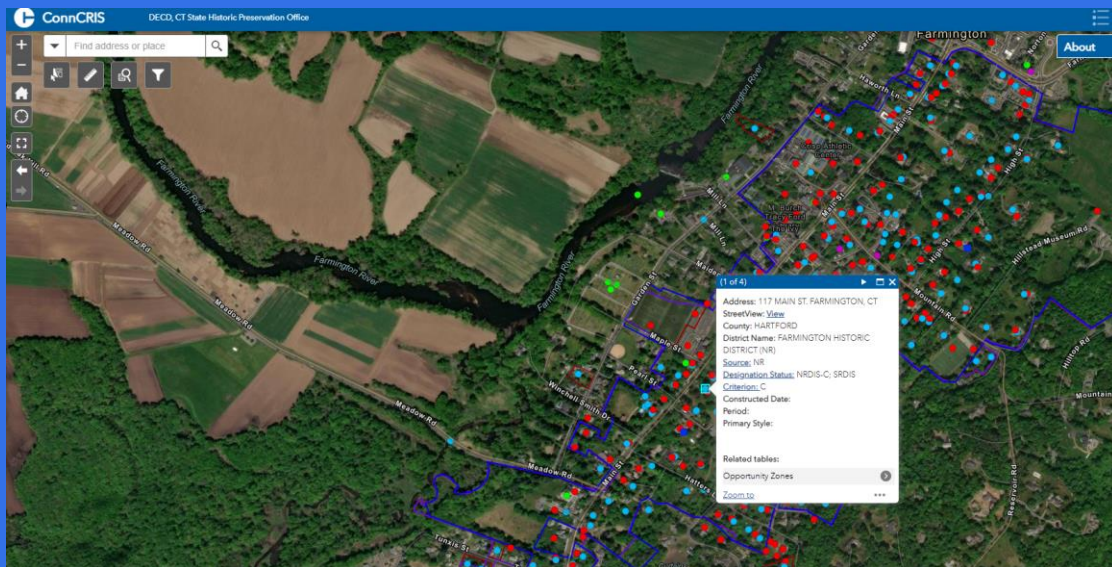
Visit, ConnCRIS.ct.gov to determine the listing status.

Example:

117 Main Street, Farmington, CT. is listed in:

- Farmington National Register Historic District
- Farmington State Register Historic District
- Farmington Local Historic District

Please note, if the property is listed in a Local Historic District, there is an additional approval required on the town/city level.



CT SHPO Historic Homes Rehabilitation Tax Credit 2024

All applications must be submitted online.

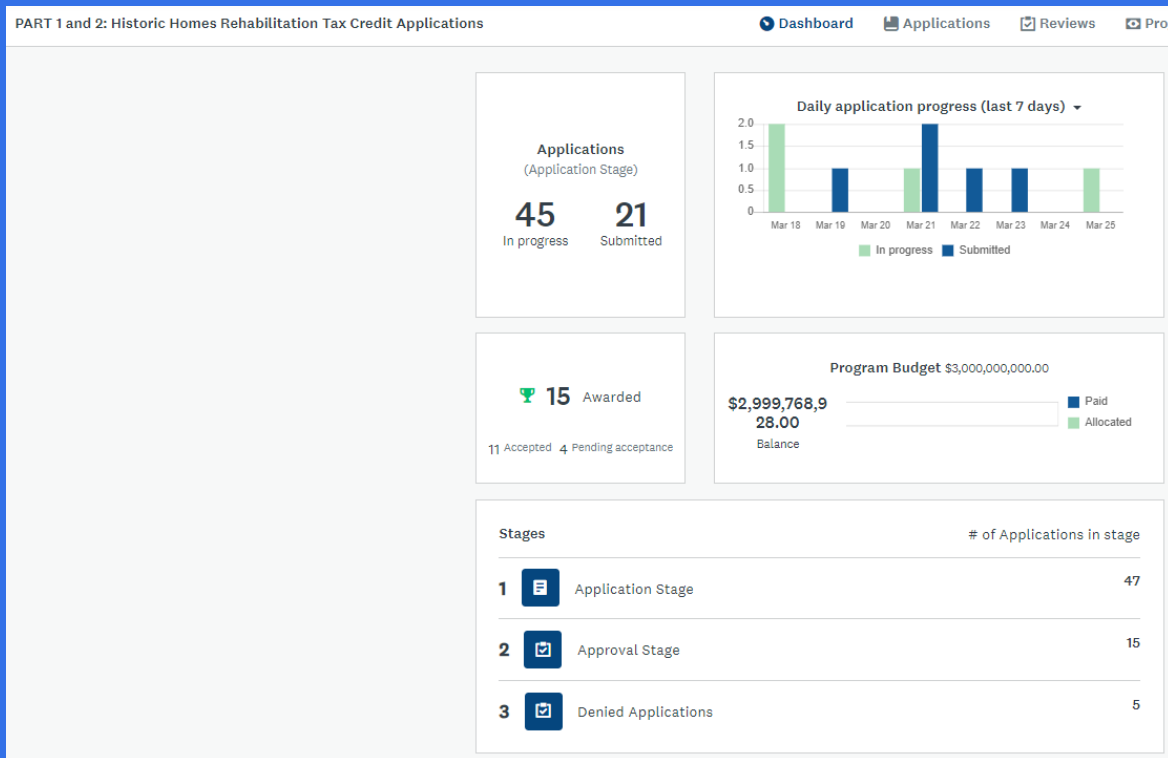
The link to the application platform is:
<https://ctofficeofthearts.smapply.org/>

There is a step by step guide to using the platform here:
[WORD DOC](#) or [PDF VIEWER](#)

A combined part 1 and 2 application must be completed before any work is started.

A combined part 3 and 4 application must be completed after the work has been completed.

The CT SHPO may take up to 30 days to review each application. Please keep this timeline in mind. The office receives more than 40 applications per month.



Frequently asked questions before applying:

Can I use the program for work I've recently completed and paid for?

Answer: No. A scope of work must be reviewed by the CT SHPO office before beginning a project to ensure the work meets the Historic Rehabilitation Standards.

Is there an approved list of contractors that I must use?

Answer: No. Find a contractor that you feel comfortable with. Make sure they have experience working on historic homes, are licensed and insured.

What if I plan to tackle several projects at once, do I need to complete an application for each one?

Answer: No. You can combine several projects into one application. You must meet the minimum expenditure of \$15,000. Remember that there is a maximum tax credit voucher of \$30,000, or \$100,000 of total rehabilitation expenditures per application.

Is there enough money left for me to use this program?

Answer: Yes. The state sets aside \$3 mil. per year in tax credit reservations. We have not met the cap for the Historic Homes Rehabilitation Tax Credit yet.

Can I use this program multiple times?

Answer: Yes. An applicant must close out each application by submitting a combined part 3 and 4 application before starting a new part 1 and 2 application.

CT SHPO Historic Homes Rehabilitation Tax Credit 2024



West Hartford



New Haven

There is a combined part 1 and part 2 application that must be completed before any work begins.

Per state statute the following are eligible expenditures:

Repair and restoration of porches, steps, doors, windows, storm windows, shutters, chimneys, roofs, gutters/downspouts, painting, carpentry, foundations, lightning protection, repointing, abatement of hazardous materials, structural repairs and stabilization, staircases, decorative ornamentation, moldings, paneling, floors, millwork, plaster repairs, HVAC, plumbing, electrical, wells, septic systems, and geo-thermal systems.

Per state statute the following are in-eligible expenditures:

new construction, changes to historic floor plans, replacement of historic building fabric unless it is in-kind and the feature is beyond repair, spray foam insulation, new appliances or fixtures, the owner's personal labor and tools, the cost of site improvements unless to provide building access to persons with disabilities, blinds, shades, lamps, carpets, landscaping, driveways, fences, architectural fees, legal fees, permits, financing fees, and any other non-construction costs. This is not a program for remodels, renovations, additions, alterations, demolitions or substitute materials.

Kitchens and Bathrooms:

A policy was implemented in 2015 to give partial credit towards work not generally related to the rehabilitation of historic building fabric in kitchen and bathrooms. This relates to cosmetic upgrades such as cabinetry and fixtures.

Necessary plumbing and electrical work are directly related to the rehabilitation of the building and are covered entirely.

Example:

Slate roof repair: \$15,000

Electrical upgrades: \$5,000

Kitchen renovation: \$60,000

The project total: \$80,000

Preservation related expenses: \$20,000 (meets the minimum requirement)

The project totals \$80,000, but only \$20,000 of the costs are for the long-term preservation of the home. So, the tax credit is calculated as follows:

Preservation Related Costs: $\$20,000 / 65\% = \$30,770$

Total eligible expenditures: $\$30,700 \times 30\% \text{ tax credit} = \$9,231$



<https://www.rotatorrod.com/blogs/bathroom-bliss/7701171-make-your-bathroom-cool-with-mad-men-style>

Frequently asked questions about eligible and ineligible expenditures:

My original wooden windows aren't operational. The weights and pulleys are broken. I have lead paint on them. They're not energy efficient. Can I replace them?

Answer: Unless the windows are beyond repair, this program does not allow for replacement. In general, historic wooden windows can be repaired by stripping the paint, repairing any rotted wood, reglazing and replacing any broken glass, and fixing the sash cords, weights and pulleys. Chances are, the historic wooden windows have lasted about 100 years and with proper restoration can last another 100 years. In terms of energy efficiency, the addition of weather-stripping and a storm window can enable the window to be more energy efficient than a modern replacement. Modern replacements are made to last roughly 30 years, at which point they can't be restored, only replaced. Storm windows are an eligible expenditure under the program as well.

I have several rotted clapboards and the house needs to be painted. Can I cover the house in vinyl siding?

Answer: The use of substitute materials does not meet the program standards. The clapboards can be replaced in kind with wood. The home can be scraped and painted. This program is an incentive to offset the cost of using traditional materials and craftsmanship.

Can I do the work myself? Can I charge for my labor? Can I charge for the tools I purchase to do the job?

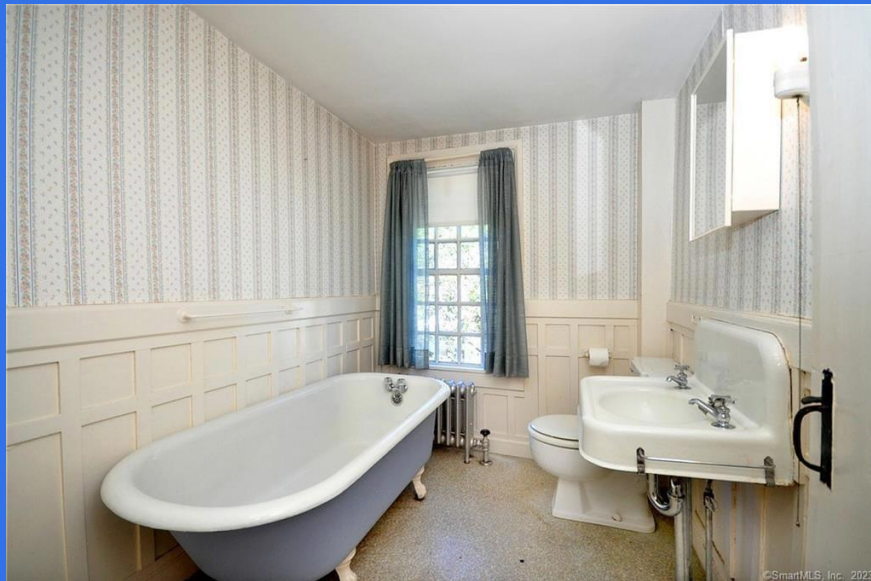
Answer: Owner's personal labor is not an eligible expenditure, nor are the tools purchased. Materials for the projects may be covered.

CT SHPO Historic Homes Rehabilitation Tax Credit 2024

A clearly defined scope of work for each project is needed in the combined part 1 and part 2 application. The scope of work will be evaluated using the Program's Standards for Rehabilitation.

The Standards include:

- A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.
- 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.
- Changes that have acquired historic significance in their own right shall be retained and preserved.
- ... Continued on next slide



Farmington

CT SHPO Historic Homes Rehabilitation Tax Credit 2024

A clearly defined scope of work for each project is needed in the combined part 1 and part 2 application. The scope of work will be evaluated using the Program's Standards for Rehabilitation.

The Standards include:

- 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 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. Replacement of missing features shall be substantiated by documentary, physical, or pictorial evidence.
- Chemical or physical treatments, such as sandblasting, that cause damage to historic materials shall not be used.
- Significant archeological resources affected by a project shall be protected and preserved. If such resources must be disturbed, mitigation measures shall be undertaken.



Willimantic



Vernon

<https://www.nps.gov/articles/000/treatment-standards-rehabilitation.htm>

Combined Part 1 and Part 2 Application

Form for "Historic Homes Rehabilitation Tax Credit Part 1 Ap

Part 1 Application

Please write the applicant's full names:

Please write the full names of the primary residents:

Test

Please write the name of the non-profit housing entity:

(No response)

Please write the address of historic property:

Please write the full mailing address of the historic property: Street number, Street name, City/Town, State and Zip code.

Test

Is the applicant a State of CT tax payer?

To be eligible for this program the applicant must pay State of CT income taxes.

(No response)

Is this the applicant's primary residence?

To be eligible for this program the historic home must be the applicant's primary place of residence.

(No response)

Is the historic home listed on the following:

To be eligible for this program the historic home must be listed on the State or National Register of Historic Places, either individually or as a contributing resource. Homes listed on the National Register are automatically listed on the State Register. To check visit: <https://conncris.ct.gov/>

(No response)

Combined Part 1 and Part 2 Application

CT SHPO Historic Homes Rehabilitation Tax Credit 2024

Number of units in the home:

To be eligible for this program, the historic home must be between 1-4 units of housing. Mixed use properties are ineligible.

(No response)

Upload a picture of the front of the home.


Upload a picture of the back of the home.

Upload a picture of side of home.

Upload a picture of side of home.

Upload picture of the street view of the home to provide context.

Upload picture of an outbuilding if one exists. Shed, barn, garage, carriage house, etc. (Optional)

 **Historic Homes Rehabilitation Tax Credit Part 2 Application** Not Started | ... ^

Form for "Historic Homes Rehabilitation Tax Credit Part 2 Ap

Historic Homes Rehabilitation Tax Credit Part 2 Application

Confirm you have read the list of eligible expenditures for this program:

Eligible expenditures include repair and restoration of: porches, steps, doors, windows, storm windows, shutters, chimneys, roofs, gutters/downspouts, painting, carpentry, foundations, lightning protection, repointing, abatement of hazardous materials, structural repairs and stabilization, staircases, decorative ornamentation, moldings, paneling, floors, millwork, plaster repairs, HVAC, plumbing, electrical, wells, septic systems, and geo-thermal systems.

(No response)

Confirm you have read the list of ineligible expenditures for this program:

Ineligible expenditures include: new construction, changes to historic floor plans, replacement of historic building fabric unless it is in-kind and the feature is beyond repair, spray foam insulation, new appliances or fixtures, the owner's personal labor and tools, the cost of site improvements unless to provide building access to persons with disabilities, blinds, shades, lamps, carpets, landscaping, driveways, fences, architectural fees, legal fees, permits, financing fees, and any other non-construction costs. This is not a program for remodels, renovations, additions, alterations, demolitions or substitute materials.

(No response)

Combined Part 1 and Part 2 Application

Confirm you understand that the total of all projects submitted must meet the minimum required expenditure of \$15,000.

(No response)

Confirm you understand that no construction can begin until the CT SHPO has approved the part 1 and part 2 applications. This program does not apply to any work or costs accrued before the review and approval of the project by CT SHPO.

(No response)

Please sign to confirm the information submitted is truthful.

Please write the date and time the application was signed and submitted:

(No response)

Upload contractor quote 1:

Upload contractor quote 2:

Upload contractor quote 3:

Upload contractor quote 4:

Upload contractor quote 5:

Upload contractor quote 6:

What is the total amount of all projects combined?

(No response)

Combined Part 1 and Part 2 Application

Please complete the following table:

Please include the cost of work, the scope of work, and the reason for the work. The projects can be organized in a way that works best for your planning. Applications have been organized by exterior and interior work, rooms, and trades like carpentry and electrical.

	Cost of work:	Scope of work:	Reason for work:
Project 1:			
Project 2:			
Project 3:			
Project 4:			
Project 5:			
Project 6:			
Project 7:			

Please use this space to write any other pertinent information:

(No response)

Please upload a representative project photograph and label the photograph:

Please upload a representative project photograph and label the photograph:

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Please upload a representative project photograph and label the photograph:

If extra space is needed to explain projects or attach relevant photographs, please upload a word or pdf document here with the information included.



CT SHPO Historic Homes Rehabilitation Tax Credit 2024

The screenshot shows the top navigation bar of the Preservation Connecticut website with links for 'About Us', 'Programs', 'Surveys & Websites', 'Resources & Publications', 'Get Involved', and 'News'. Below the navigation is a large banner image of a historic building with the text 'Find A Preservation Professional'. Underneath the banner, there is a list of preservation-related fields: Architects, Architectural Historians, Carpenters, Cemetery Resources, Community Development Finance, Digital Documentation, Engineers, General Contractors, Historic Plaster, Landscape Architects, Lighting, Masonry & Stonework, Metalwork, Museum Services, Nonprofit Services, Painting, Preservation Supplies Vendor, Real Estate Agents, Roofers, Salvage, Timber Framing, and Windows. A disclaimer at the bottom states: 'Please note that this is a paid listing directory and not a sanctioned list. Please always seek resumes and references before hiring or signing contracts.'

Here are a few resources to find experts in the historic trades:

Preservation Connecticut Restoration Services Directory

<https://preservationct.org/directory>

Preservation Connecticut's Circuit Riders:

Stacey Vairo: [Svairo@preservationct.org](mailto: Svairo@preservationct.org)

Mike Forino: [Mforino@preservationct.org](mailto: Mforino@preservationct.org)

The screenshot shows the Window Preservation Alliance (WPA) website. The header features the WPA logo and the slogan 'Don't Replace...Repair'. The navigation bar includes links for HOME, ABOUT US, DIRECTORY, LIBRARY, EVENTS, RESOURCES, JOIN US, and CONTACT. The main content area is titled 'DIRECTORY' and includes a search bar with the text 'connecticut' and 'Found: 14'. Below the search bar is a table listing companies with columns for Company, Street Address, City, State, Zip, and Additional Areas Served.

Company	Street Address	City, State, Zip	Additional Areas Served
<i>Cooper Historical Windows (1)</i> Brian Cooper 	75 Frontage Road	North Stonington Connecticut 06359	Nation Wide
www.thecoopergroupct.com 860-599-2481			
<i>CrateCrafts Fine Woodworking (1)</i> David Peckar	1691 Thomaston Avenue, 4th	Waterbury Connecticut	In-Shop Services Only - Pickup and Delivery Services to Connecticut, Massachusetts, Rhode Island

Window Preservation Alliance

<https://windowpreservationalliance.org/directory>

Local Preservation Organizations:

New London Landmarks

Hartford Preservation Alliance

New Haven Preservation Trust

... many more partners!



Subject: Approval of HHTC

CONNECTICUT On-line Application Platform

Approval of Part 1+2 Applications HHTC

Project #: 2428

Reservation #: 24028

Amount reserved: \$6,200

30% tax credit: \$4,650

10% contingency (may not be needed): \$1,550

Available for 5 years.

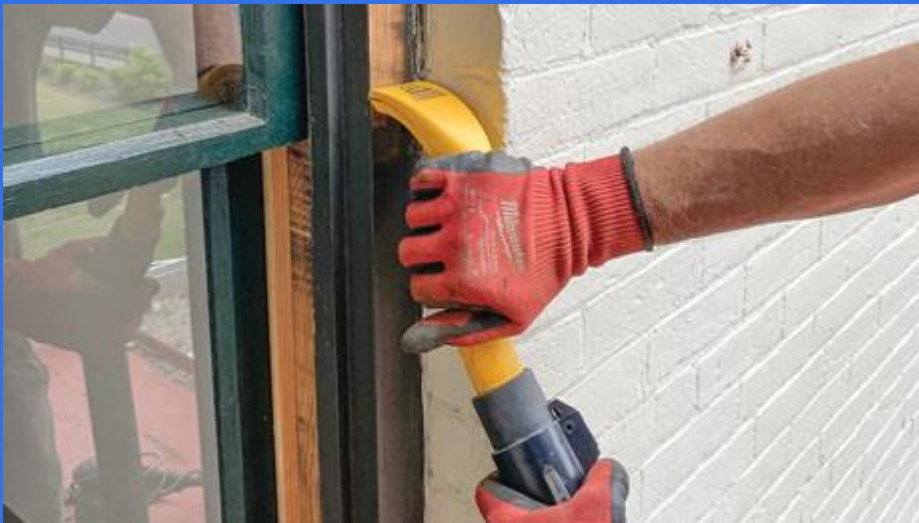
After the Part 1 and 2 applications have been approved, you will receive an email that indicates the project number, reservation number, and reserved amount.

The reservation is valid for 5 years.

The contractors should then feel free to begin their work.

All work must be paid for in full by the homeowner before closing out the project with a part 3 and 4 application.

The reservation becomes the voucher after the part 3 and 4 application are approved.





Clinton

Changes to an application:

Once a reservation has been issued, it can't be changed. When adding quotes to the part 1 and 2 application, make sure to use those that are recent and realistic to what the final cost of the project will be.

If there are changes to the scope of work, please note them in the part 3 application. We want to be sure that the work performed continues to meet the standards, but it does not provide for an increase in the tax credit reservation.

We do add a 10% contingency to the reservation to cover any additional costs that may be incurred.

The final tax credit voucher amount will be calculated based on the total project cost. It will be the smaller amount of either the initial reservation or 30% of actual expenditures.

Combined Part 3 and Part 4 Application

Form for "Historic Homes Rehabilitation Tax Credit Part 3 Ap

Part 3 Application

Please write the applicant's full names:

Please write the full names of the primary residents:

Test

Please write the address of the historic property:

Please write the full mailing address of the historic property: Street number, Street name, City/Town, State and Zip code.

Test

Have all projects that were proposed in the part 2 application been completed?

(No response)

What is the total amount from all receipts submitted?

(No response)

If there are any changes in the scope of work, please list them here.

(No response)

If there are any additional costs, please list them here. Keep in mind, the amount of the reservation can't be increased once it is issued. The reservation amount does include a contingency that may cover some changes. The applicant will earn a voucher that equals the lesser of either the tax credit reservation, or 30% of the project's final qualified rehabilitation expenditures.

(No response)

Please upload a receipt or invoice showing that the project has been paid for in full:

Please upload a receipt or invoice showing that the project has been paid for in full:

Question Please upload a receipt or invoice showing that the project has been paid for in full:

Please upload a receipt or invoice showing that the project has been paid for in full:

Combined Part 3 and Part 4 Application

If it is helpful, please use this space to upload an excel spreadsheet of project accounting:

If it is helpful, please use this space to upload a combined PDF of all receipts:

Please upload a photograph of the completed work and label the photograph:


Please upload a photograph of the completed work and label the photograph:

Please upload a photograph of the completed work and label the photograph:

Please upload a photograph of the completed work and label the photograph:

Please upload a photograph of the completed work and label the photograph:

Please upload a photograph of the completed work and label the photograph:

 **Historic Homes Rehabilitation Tax Credit Part 4 Application** Not Started | ... ^

Form for "Historic Homes Rehabilitation Tax Credit Part 4 Ap

Historic Homes Rehabilitation Tax Credit Part 4 Application

Please write the full names of those that will be claiming the tax credit on their State of CT income taxes:

(No response)

Please sign to confirm that the home will be owner occupied for at least 5 years following the restoration, or conveyed to a homeowner that will serve as a primary resident.

Please write the date and time this form was completed and submitted.

(No response)

CT SHPO Historic Homes Rehabilitation Tax Credit 2024

February Session, 2024

**Proposed Substitute
Bill No. 5190**
LCO No. 3220

**AN ACT CONCERNING THE HISTORIC HOMES REHABILITATION
TAX CREDIT.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 10-416 of the 2024 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (Effective July 1, 2024, and applicable to taxable and income years commencing
4 on or after January 1, 2024):

5 (a) As used in this section, the following terms shall have the
6 following meanings unless the context clearly indicates another
7 meaning:

8 (1) "Department" means the Department of Economic and
9 Community Development;

10 (2) "Historic home" means a building that: (A) Will contain one-to-
11 four dwelling units of which at least one unit will be occupied as the
12 principal residence of the owner for not less than five years following
13 the completion of rehabilitation work, and (B) is (i) listed individually
14 on the National or State Register of Historic Places, or (ii) located in a
15 district listed on the National or State Register of Historic Places, and
16 has been certified by the department as contributing to the historic
17 character of such district;

https://www.cga.ct.gov/2024/ced_ata/sl/2024HB-05190-R00LCO03220CE-SL.PDF

The tax credit can be claimed in one of two ways:

The first option:

Homeowners can claim the credit on their state income tax directly. The tax credit must be taken in the same year that the work is completed and the tax credit voucher is issued.

“If the amount of the tax credit voucher exceeds the taxpayer’s liability for the tax imposed under chapter 229 (Income Tax) the Commissioner of Revenue Services shall treat such excess as an overpayment and, except as provided under section 12-739 or 12-742, shall refund the amount of such excess, without interest to the tax payer, Or,

Any unused portion of such credit may be carried forward to any or all of the four income years following the year in which the tax credit voucher is issued. Any excess at the end of the four year period may not be claimed as an overpayment.

Nonprofit corporations can claim the tax credit voucher against the tax due under chapter 208a in the amount specified in the tax credit voucher.”

Example:

State income tax owed: \$10,500

Tax credit voucher: \$15,000

Rebate: \$4,500



CT SHPO Historic Homes Rehabilitation Tax Credit 2024

The tax credit can be claimed in one of two ways:

The second option:

Homeowners and non-profit housing corporations can sell the tax credit voucher to a C-Corporation.

- The CT SHPO can help facilitate the sale of the voucher.
- Some C-Corporations will purchase the credit dollar-for-dollar to use on their state income taxes.
- C-Corporations are not required to purchase the credit and may not purchase the credit without charging a fee.

CT SHPO has no control over the timeline of direct payments by a C-Corporation. Payments typically arrive by mail in about 3 months.

Example:

Tax credit voucher: \$30,000

Sell to Eversource Energy (a C-Corporation)

Eversource Energy writes the homeowner or non-profit developer a check for \$30,000.

CONNECTICUT HISTORIC HOMES REHABILITATION TAX CREDIT PROGRAM
TAX CREDIT VOUCHER

Historic Homes Project Number:

In accordance with Connecticut General Statutes Section 10-416, the Department of Economic and Community Development issues an Historic Homes Tax Credit Voucher to the corporation listed below in the amount so specified.

Name of Corporation: Connecticut Light and Power DBA Eversource
Date:
Receipt of Voucher by:

Address:
Street: 107 Selden St. State: CT Zip: 06037
Town: Berlin

FEIN or CT Tax Registration Number: 06-0303850

Tax Credit Voucher ID Number:

Tax Credit Voucher Amount:

Approved by: _____
Authorized Signature
Department of Economic and Community Development

Date of Issuance:

State Historic Preservation Office
450 Columbus Boulevard, Suite 5 | Hartford, CT 06103 | www.cultureandtourism.org
An Affirmative Action/Equal Opportunity Employer/An Equal Opportunity Lender

CT SHPO Historic Homes Rehabilitation Tax Credit 2024



Southport



Woodbury

After carefully reading the information and looking at the online application, if there are questions you'd like to discuss, please schedule a time to chat virtually on Monday afternoons, here: [Schedule online](mailto:Erin.Fink@ct.gov)
Erin.Fink@ct.gov

While the applications are no longer accepted by mail, these videos about the program are exceptionally helpful as well:

<https://www.youtube.com/watch?v=c5QluW19ce0>

<https://www.youtube.com/watch?v=NICmmQ3HbfA>

<https://www.youtube.com/watch?v=1OjPMOsPRqA&t=151s>