

Historic Preservation  
and Museum Division

One Constitution Plaza  
Second Floor  
Hartford, Connecticut  
06103

860.256.2800  
860.256.2763 (f)

## POLICY STATEMENT #2

**Subject: Transfer of a tax credit reservation under C.G.S. sections 10-416, 10-416a and 10-416b**


C.G.S. sections 10-416, 10-416a and 10-416b establish tax credits for the rehabilitation of historic properties for residential and non-residential use. Prior to the completion of the rehabilitation, a tax credit reservation is issued to the property owner based on a percentage of the total qualified rehabilitation expenditures.

After review of the relevant statutes and regulations, the Connecticut Commission on Culture & Tourism (CCT) has determined that if a property owner loses or conveys title to the property (either through foreclosure or direct transfer) then the tax credit reservation may, upon satisfying certain conditions, be transferred to a new owner of the building at CCT's discretion. In other words, the reservation remains with the building.

For example, CCT approved a rehabilitation plan for the conversion of an office building to residential housing and tax credits were reserved in the amount of \$2.7 million. Prior to the completion of the rehabilitation, the owner lost the property due to foreclosure. The bank that took over the mortgage would like to sell the property with the reservation intact. The new owner of the property may maintain the tax credit reservation provided the new owner agrees to 1) continue rehabilitating the building per the approved rehabilitation plan, or, if changes are proposed, the changes must meet the Secretary of the Interior's *Standards for Rehabilitation*; 2) provide CCT with copies of all closing documents; and 3) provide CCT with the same business and tax information requested of the original property owner in *Part 3 – Request for Preliminary Certification and Reservation of Tax Credits* (Form ITC-100c).

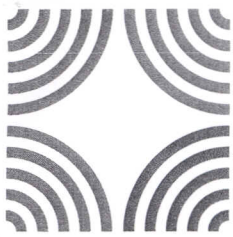
Ultimately, CCT has determined that the tax credit reservation should be associated with the building and not the owner and; therefore, if the rehabilitation meets the *Standards* and the new owner can prove ownership of the building and legal existence, the tax credit reservation can be transferred.

As Executive Director of the Connecticut Commission on Culture & Tourism, this policy is effective as of the date of my signature.

Signed :  Date: 10-19-09  
Karen Senich

**CONNECTICUT**  
www.cultureandtourism.org

An Affirmative Action  
Equal Opportunity Employer



Historic Preservation  
and Museum Division

One Constitution Plaza  
Second Floor  
Hartford, Connecticut  
06103

860.256.2800  
860.256.2763 (f)

## POLICY STATEMENT #2

**Subject: Transfer of a tax credit reservation under C.G.S. sections 10-416, 10-416a and 10-416b**

C.G.S. sections 10-416, 10-416a and 10-416b establish tax credits for the rehabilitation of historic properties for residential and non-residential use. Prior to the completion of the rehabilitation, a tax credit reservation is issued to the property owner based on a percentage of the total qualified rehabilitation expenditures.

After review of the relevant statutes and regulations, the Connecticut Commission on Culture & Tourism (CCT) has determined that if a property owner loses or conveys title to the property (either through foreclosure or direct transfer) then the tax credit reservation may, upon satisfying certain conditions, be transferred to a new owner of the building at CCT's discretion. In other words, the reservation remains with the building.

For example, CCT approved a rehabilitation plan for the conversion of an office building to residential housing and tax credits were reserved in the amount of \$2.7 million. Prior to the completion of the rehabilitation, the owner lost the property due to foreclosure. The bank that took over the mortgage would like to sell the property with the reservation intact. The new owner of the property may maintain the tax credit reservation provided the new owner agrees to 1) continue rehabilitating the building per the approved rehabilitation plan, or, if changes are proposed, the changes must meet the Secretary of the Interior's *Standards for Rehabilitation*; 2) provide CCT with copies of all closing documents; and 3) provide CCT with the same business and tax information requested of the original property owner in *Part 3 – Request for Preliminary Certification and Reservation of Tax Credits* (Form ITC-100c).

Ultimately, CCT has determined that the tax credit reservation should be associated with the building and not the owner and; therefore, if the rehabilitation meets the *Standards* and the new owner can prove ownership of the building and legal existence, the tax credit reservation can be transferred.

As Executive Director of the Connecticut Commission on Culture & Tourism, this policy is effective as of the date of my signature.

Signed :

  
Karen Senich

Date: 10-19-09

**CONNECTICUT**

www.cultureandtourism.org

An Affirmative Action  
Equal Opportunity Employer