



POLICY STATEMENT #8

Subject: Issuance of tax credit reservations by fiscal year

C.G.S. Section 10-416c(i) states:(i) The aggregate amount of all tax credits that may be reserved by the Department of Economic and Community Development upon certification of rehabilitation plans pursuant to subsections (b) to (h), inclusive, of this section shall not exceed thirty-one million seven hundred thousand dollars in any fiscal year. No project may receive tax credits in an amount exceeding four million five hundred thousand dollars.

While the annual allocation cannot be carried forward into the next fiscal year, which would result in reserving more than the allotted \$31.7 million for a given fiscal year, there is no prohibition on reserving tax credits to a previous fiscal year to use up the year’s entire allocation.

Example:

The state fiscal year runs from July 1-June 30. If by June 30th, the State Historic Preservation Office (SHPO) has only allocated \$30 million, the SHPO will not add the \$1.7 million to the next fiscal year (i.e. reserve \$33,400,000 during the next fiscal year) as that would go over the statutorily mandated \$31.7 million. However, the SHPO can continue to reserve the remaining \$1.7 million to the fiscal year in which the money was originally allocated, even if that occurs on or after the start of a new fiscal year on July 1. Once the previous year’s allocation is fully assigned, the SHPO will begin reserving historic tax credits using the current fiscal year’s allocation.

Therefore, going forward, the SHPO will max out previous fiscal year allocations before reserving tax credits for the current fiscal year.

As State Historic Preservation Officer, this policy is effective as of June 30, 2022.

Signed: Jonathan Kinney Date: 8/26/24
Jonathan Kinney, State Historic Preservation Officer