

# FEDERAL AND NEW YORK STATE HISTORIC PRESERVATION TAX CREDIT PROGRAMS

## Help for Historic Income-Producing Properties

Owners of historic commercial, office, industrial, agricultural or residential rental properties may be eligible for 20% federal and 20% state historic preservation income tax credits for rehabilitation projects.

### PROGRAM ELIGIBILITY:

- You must own an income-producing property.
- The property must be listed on the New York State and National Registers of Historic Places individually or contributing to a listed historic district; or in the process of listing
- All the work must be approved by the Division for Historic Preservation before you begin.
- To apply for the state preservation tax credit, the property must also be located in an eligible census tract as well as qualify for the federal credit.

The rehabilitation work must follow the Secretary of the Interior's Standards for Rehabilitation (visit [nps.gov/tps/standards.htm](https://www.nps.gov/tps/standards.htm)), which focuses on repairing historic materials, retaining character-defining features and preserving important interior spaces. The credit does not cover new construction outside the existing footprint of the historic

### GENERAL GUIDELINES

- Contact the division for assistance early in the project planning process before you begin work.
- Projects are reviewed by the division prior to submission to the National Park Service, which is responsible for final tax credit project approval.
- The tax credits are a dollar-for-dollar reduction in federal and state tax liability.
- The cost of the rehabilitation must be equal to or greater than the adjusted basis of the property; basically, the adjusted basis is the value of property minus the value of the land.
- The three part application includes: 1. Evaluation of the property's significance; 2. Description of the proposed rehabilitation; and 3. Certification of completed work.

### QUICK TIPS

- Thoroughly photograph the inside and outside of your building to document its existing, pre-rehabilitation condition.
- Historic windows, significant interior spaces and original floor plans are important, character-defining features that require careful consideration and appropriate treatment during project planning and construction.

# FREQUENTLY ASKED QUESTIONS

## **What is a preservation tax credit?**

It is a set percentage of the final historic rehabilitation costs subtracted from the amount of federal and/or state income taxes owed.

## **How are the federal and state tax credit programs different?**

While both programs offer credits equal to 20% of the rehabilitation costs respectively, the state credit is limited to properties that are located in eligible census tracts. Additionally, the state tax credit is capped at \$5 million in credits—there is not a cap on the federal credits. In order to receive the state credit, the project must be approved for the federal program. For more information, visit [parks.ny.gov/shpo/tax-credit-programs/](https://parks.ny.gov/shpo/tax-credit-programs/) or call 518-268-2213 to speak to the division staff member assigned to the location of your potential project.

## **What kind of work qualifies?**

All interior and exterior rehabilitation work is eligible for the tax credits as long as it follows the Secretary of the Interior's Standards for Rehabilitation, including work that adapts the property for contemporary use or improves its energy efficiency. The programs essentially cover the entire historic building, from foundation to roof, inside and out.

## **How can I find out if my property is listed in the New York State and National Registers of Historic Places?**

Visit [parks.ny.gov/shpo/online-tools/](https://parks.ny.gov/shpo/online-tools/) for access to the division's Cultural Resource Information System (CRIS) or call 518-268-2213 for State and National Registers program assistance.

## **What if my property is not listed on the Registers?**

The division can help you determine if your property is eligible for State and National Registers listing and, if so, provide assistance on the nomination process. Although listing is a program requirement, the property does not have to be listed before you begin the project.

## **Can the preservation tax credits be used in combination with other public funding programs?**

Yes. A variety of federal and state incentive programs can be used in conjunction with the preservation tax credits, such as community development grants and low-income housing credits.

## **What is the review and approval process?**

The division is your primary contact, reviewing your application materials throughout project planning and construction, providing technical assistance and advice, requesting information as needed and submitting your application materials to the National Park Service for review & approval.

## **What recent changes have been made to the federal and NYS historic tax credit programs?**

With the passage of federal tax reform, the federal historic tax credit is now required to be claimed over a five year period. In response to this, NYS provided a reauthorization to the NYS program to 2024, and included a provision that allows the NYS credit to be claimed in a single year. Additionally, NYS has provided an extension to formerly eligible census tracts until April 2020.