



Shareholders and Owners of qualifying historic buildings may be eligible for an individual New York State Historic Homeownership Rehabilitation Credit when their co-op or condominium common interest community (Community) opens an application for a building-wide project.

The Historic Homeownership Rehabilitation Credit program allows owners of qualifying historic homes to earn a state income tax credit equal to 20% of qualified rehabilitation expenditures (QREs) associated with repair, maintenance, and upgrades. The credit is a dollar-for-dollar reduction of your NYS tax liability, up to \$25,000 per year. Total rehabilitation expenses must be at least \$5,000 with a minimum of 5% of that being spent on exterior work. The credit is based on New York State Consolidated Tax Law-Article 11: Part 1: Section 606. The Office of Parks Recreation and Historic Preservation (OPRHP) reviews and approves the work to be sure it meets preservation standards.

Normally, individual co-op shareholders and condominium owners who are not responsible for exterior work on their unit would not qualify because they would not meet the 5% exterior work requirement. However, when exterior work is undertaken by the Community first as a Primary Project, the shareholder or owner can then apply and open a project for interior work on their individual unit. This opportunity allows individuals to take advantage of the program for additional work specific to their unit.

Application instructions can be found here: [Historic Homeownership Rehabilitation Credit Application Instructions](#)

Additional information can be found on our website under New York State Historic Homeownership Rehabilitation Credit here: [Tax Credit Programs - NYS Parks, Recreation & Historic Preservation](#)

How the Co-op and Condominium Application Process/Timeline Works:

1. Co-op/Condominium Community opens a Primary Project: The Community submits a Part 1&2 application and the Part 2 review fee for work to be done. The Primary Project total must allow for a minimum of \$5,000 in QREs to be attributed to each unit based on the percentage of space each unit occupies within the building. Even the owners with the smallest portion of shares must be allowed at least \$5,000 in QREs for the Primary Project. OPRHP reviews and approves the Part 1&2 application and assigns a project number. Once the Community receives approval from OPRHP, work on the Primary Project can begin.

2. Owner opens an Individual Project: Once a Primary Project is opened by the Community, individual shareholders and owners can send in their own Part 1&2 applications for work on their individual unit. Shareholder/owner Individual Project applications must be submitted with their own Part 2 review fee. These Individual

Projects do not need to meet either the 5% exterior work or the \$5K project cost minimums because those criteria are met by the Primary Project. OPRHP reviews and approves the Part 1&2 application and assigns a project number. Once an individual receives approval from OPRHP, work on the Individual Project can begin.

3. Work takes place: If there are items that were not included on the initial applications (either Primary Project or Individual Project application), an amendment can be submitted to add additional work while the projects are open. Amendments do have a separate application that must be filled out but there is no additional fee to submit. As with the Part 1&2 application, an amendment should be submitted for review and approval by OPRHP before work begins.

4. Work is completed: Once all work is complete, the Community should prepare to close out the Primary Project. Individual Projects need to be closed out in the same tax year as the Primary Project. It is the responsibility of the Community to keep individuals informed of all timelines, and to provide ample notice of when the Community plans to close out the Primary Project.

5. Primary Project is closed out: When the work of the Primary Project is complete, the Community submits a Part 3 application with fee payment for Part 3 review. OPRHP will review and approve the work. A Certificate of Completion will be issued certifying the total final QREs for the Primary Project. The Community must then inform each shareholder or owner of their share of the QREs, commensurate to their share of the co-op or condominium. This information will be used for the individual's tax credit filing.

6. Secondary Project is closed out: When the work of the Individual Project is complete, shareholders and owners submit their own Part 3 applications with fee payment for Part 3 review. As a reminder: this must be done in the same tax year the Community closes out the Primary Project.

7. Individuals claim the tax credit: Shareholders and owners claim the tax credit by filing NYS Taxation and Finance form IT-237 with their NYS income tax return. There is space on the form to claim two separate projects per year and this is how individuals will claim both their portion of the Primary Project and their Individual Project.

Note: In cases where the individual shareholders or unit owners are responsible for work on the exterior of their unit (such as windows), the application is submitted like a regular project, and they should follow the published Application Instructions.