



Owners of older homes may qualify for a New York State Historic Homeownership Rehabilitation Credit, which is a State income tax credit equal to 20% of Qualified Rehabilitation Expenditures

Qualifications:

- The applicant must own and live in the house (non-income producing second homes also qualify).
- The house must be listed in the New York State or National Registers of Historic Places individually or as a *contributing* building in a listed historic district. *Note: In some cases, a local historic district has been certified to participate in tax credit programs.*
- The house must be located in a qualifying census tract.
- The qualified rehabilitation expenditures (QREs) must be \$5,000 or more with a minimum of 5% of that being spent on exterior work.
- All the work must be approved **before** work begins.

Determining Listing Status and Census Tract Eligibility:

Eligible census tract and State/National Register listing information can be found online through the Division for Historic Preservation's Cultural Resources Information System (CRIS) online database (<https://parks.ny.gov/shpo/online-tools/>) or by contacting the National Register staff member assigned to the project's county (<https://parks.ny.gov/shpo/contact/>).

The Application:

- The application comprises three parts. Parts 1 & 2 are submitted together and prior to the start of work. Part 3 is submitted after the work is completed.

Part 1: Provides the baseline information about the applicant and the property. This helps the DHP to establish that the property meets the qualifications listed above.

Part 2: Details the proposed work and breaks down the work items into categories (roof, masonry, kitchen rehab, plumbing, etc.). Part 2 also requires a brief description of the existing condition, the proposed rehabilitation, estimated costs, and references to images. *Note: You do not need final contractor estimates to submit your application.*

If you need to add more work items to your project after submitting your Part 1 & 2, use the **Part 2 Amendment Sheet**.

Part 3: Is submitted after the work is completed and mirrors much of the Part 2 format. The form asks for a description of each work item, references to photos, and the final project costs. Include only work items that were completed (installed and paid for). *Note: The DHP does not require copies of invoices or receipts; please retain those for your records.*

Images/ Photographs:

- Photos of the property and work areas are critical for the DHP to evaluate the condition of the building and appropriateness of the proposed work.
- For **hard copy submissions only**, it is best to provide digital images on a CD or USB/flash drive. All image files should be named with an image number and location. If digital submission is not possible, printed photographs will be accepted in 4x6" color format, and each one needs to be labeled with the number and location.
- For **online applications** submitted through DocuSign, photos must be attached and submitted with the online form. Photos can be attached and uploaded by clicking on the paperclip icon at the top right of the worksheet page.
- Part 1 & 2 submissions require:
 - Exterior images of all visible elevations/sides of the building.
 - General views showing the existing conditions of the project area(s).



- Detailed images showing where work is proposed.
- Part 3 requires images of the completed work. Images should be from the same angles as the 'before' images submitted with the Part 1 & 2.

Building Product Information:

The program prioritizes the repair of historic building fabric; however, when the building material is deteriorated beyond repair, which must be clearly demonstrated in photos, replacement in-kind is appropriate. If replacement using substitute materials is proposed, please provide the manufacturer's product information sheets or shop drawings. This can include a door manufacturer's cut-sheet that shows the material and configuration of the new door, or documentation of proposed replacement lighting or bathroom fixtures, flooring, moldings, etc.

Part 2 - Sample Work Sheet:

**Please note that costs indicated in the Part 2 work sheet can be approximated values of the anticipated expenditures provided by the applicant. Contractor estimates are not required for Part 2 approval. Exact final costs should be submitted with the Part 3 application.*

Photo Label #	Title of Work Proposed	Existing Condition	Proposed Work	Estimated Cost*
1, 2, and 3	1. Replace Roof	Worn out and leaking <u>asphalt shingle</u> roof.	Install new architectural <u>asphalt shingles</u> . Include all repairs, underlayment, etc.	\$10,500.00
4, 5, and 6	2. Masonry Repointing	Mortar is loose on the rear of the building.	New mortar will match the historic mortar in all qualities including strength, color, texture and tooling.	\$1,000.00
7 and 8	3. Window replacement (four window)	Deteriorated, drafty <u>wood windows</u> on front of house	New <u>wood double-hung windows</u> with simulated-divided-lights to match the size and configuration of the existing windows.	\$8,000.00
9 and 10	4. Kitchen renovation	Dated features	New cabinetry, tile floor, sink and painting. <i>(Note: Appliances are not eligible expenses)</i>	\$10,000.00
Total Estimated Cost:				\$29,500.00

Be sure to note the material of the existing item and the replacement

Information for homes with income-producing components:

Owners who earn income from their homes through rental apartments, offices, B&Bs, etc. are still eligible for the homeownership credit; however, calculating the qualified expenditures is different than with a single-family home. The applicant can still claim the full cost of qualified expenses for work on the *interior* spaces in which they reside. Only a portion of work on the *exterior*, or in *shared spaces* (basements, attics, common halls, stairways) can be claimed as an expense. For example, if 50% of the building serves as your residence, you may only claim 50% of the cost of replacing your roof. The calculation of the percentage should be based on the overall square footage of your home and should be the same as the percentage you indicate on your NYS taxes. Additionally, you must complete the [Project Work Sheet for Income-Producing Homes](#) and submit it with your Part 3 Application. Please contact a DHP representative for more information about these types of applications.

Local Approvals:

In many communities across NYS, historic districts are listed in the State and National Registers and locally landmarked. It is not necessary to obtain local approvals prior to submitting a Part 1&2 application, but a local approval provided at the time of submission may help to inform DHP staff when reviewing the application. It is advised that applicants inform both the local government and the DHP when the property will require both reviews. *Please note that local approvals do not guarantee DHP approval of the credit application nor does DHP approval of the credit application guarantee or supersede local approvals.*

Timing:

- DHP staff has 30 days to review applications.
- Approvals will be sent via email unless otherwise requested.
- Part 1 & 2 applications can be open for multiple years, but the credit can only be claimed for the tax year that the Part 3 Certification of Completed Work (COC) is issued.
- Part 3 applications should be submitted by early December if you plan to claim the credit in that tax year. The DHP cannot guarantee that a COC will be issued within the same calendar year should the Part 3 application contain incomplete information, work that was completed without approval, or work that does not meet the [Secretary of the Interior's Standards for Rehabilitation](#).
- Please note that the credit is claimed for the tax year in which your COC is issued. If your Part 3 application is received after December 31st, the COC will be issued for the next year, which will delay the claim date. (Note: COCs are issued based on the date received, not the postmark date)

Processing Fees:

There are separate processing fees for the Part 2 and Part 3 applications; both are due at the time of submission unless applicants are exempt (see below).

- Applicants whose New York adjusted gross income is \$60,000 or below are exempt from processing fees (see *Income Waiver on Part 1&2 form*).
- Applicants who are not exempt must submit processing fees at the time of applying.
 - **Part 2 fee is always \$25**
 - **Part 3 fee varies** according to the fee schedule below:

Final Rehabilitation expenses of:	Fee:
\$5,000 - \$9,999	\$25.00
\$10,000 - \$49,999	\$75.00
\$50,000 - \$99,999	\$175.00
\$100,000 - \$149,999	\$275.00
\$150,000 - \$199,999	\$375.00
\$200,000 - \$250,000 and above	\$475.00

- Checks submitted with hard copy applications should be made payable to OPRHP; write "**homeowner**" and the **address of the property** or the **Project Number** (if assigned) in the memo line.
- Online applications allow for payments to be made by credit card or check submitted at the time of applying.

Application Submission:

- There are two ways to submit the application form, online through DocuSign, or by downloading and filling out the PDF form and sending a signed hard copy in the mail. We recommend submitting online if you are able.
- Online applications are processed through DocuSign and allow applicants to securely sign, upload photos and other attachments, and provide payment information (card or check).
- Hard copy applications must be submitted by regular mail with original signatures in ink. Scanned applications will not be accepted via email.
 - USPS Mailing Address: **OPRHP, PO Box 189, Waterford, NY 12188**

APPENDIX A

Qualified Rehabilitation Expenses include but are not limited to:

- Ceilings
- Chimneys
- Components of central air conditioning and heating systems
- Electrical wiring and lighting fixtures
- Elevators, sprinkler systems, fire escapes
- Finishes (interior and exterior paint, stain, etc.)
- Disaster repair funded by the Federal Emergency Management Agency (FEMA) or insurance
- Floors
- Gutters
- Heating systems, including heat pumps and geothermal
- Kitchen and bathroom cabinets and countertops
- Labor costs (professional)
- Masonry Repairs
- Material costs
- Permanent coverings, such as paneling or tiles
- Plumbing and plumbing fixtures
- Reconstruction of a missing historic feature including a porch if there is physical evidence or photographic documentation
- Roofs (house only, not for detached garages or outbuildings)
- Sewer lines
- Soft costs: architect, engineer, building/preservation consultant, expediter, materials testing, and permit fees
- Solar panels not visible from the public right-of-way
- Stairs
- Wall to wall or permanently installed carpeting that is glued down
- Walls
- Windows and doors
- Other components generally related to the operation of the building

Note: if the homeowner is providing labor, only material costs may be claimed for the work.

Expenses that do not qualify include but are not limited to:

- Alarm systems that are not permanently installed
- Appliances (window air conditioning units, refrigerators, washer/ dryer, etc.)
- Carpets that are not glued to the substrate
- Demolition costs for the removal of a secondary building on the property site
- Driveways and parking lots
- Fencing
- Feasibility studies
- Financing fees
- Furniture
- Insurance costs
- Labor done by homeowner (sweat equity)
- Landscaping
- Maintenance and cleaning
- New construction costs or enlargement costs (increase in total square footage), including additions, decks, porches, porticos, etc. An exception is the reconstruction of a missing historic feature.
- Outbuilding rehabilitation (this includes detached garages, carriage houses, sheds & barns)
- Outdoor lighting remote from building
- Paving
- Planters
- Retaining walls (landscape)
- Rubbish removal
- Scaffolding rental unless a contractor includes it with the bill
- Sidewalks
- Signage
- Storm sewer construction costs
- Tools and equipment
- Walkways & Patios
- Window treatments
- Work related to income producing portions of the building
- Work generally performed outside the building footprint

Please note that any work that does not conform to the Secretary of the Interior's Standards for Rehabilitation is not an eligible expense and will jeopardize approval of the entire project for the tax credit. The Standards can be found at: <https://www.nps.gov/tps/standards/rehabilitation.htm>

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